

118TH CONGRESS
1ST SESSION

S. 3012

To amend the Federal Deposit Insurance Act to provide for insurance for noninterest-bearing transaction accounts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2023

Mr. MANCHIN (for himself, Mr. BRAUN, and Mr. HICKENLOOPER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Federal Deposit Insurance Act to provide for insurance for noninterest-bearing transaction accounts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Deposit Security Act”.

5 **SEC. 2. INSURANCE OF TRANSACTION ACCOUNTS.**

6 (a) **BANKS AND SAVINGS ASSOCIATIONS.**—Section
7 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C.
8 1821(a)(1)) is amended—

9 (1) in subparagraph (B)—

1 (A) by striking “The net amount” and in-
2 serting the following:

3 “(i) IN GENERAL.—Subject to clause
4 (ii), the net amount”; and

5 (B) by adding at the end the following new
6 clauses:

7 “(ii) INSURANCE FOR NONINTEREST-
8 BEARING TRANSACTION ACCOUNTS.—Not-
9 withstanding clause (i), the Corporation
10 shall insure the net amount that any de-
11 positor at an insured depository institution
12 maintains in a noninterest-bearing trans-
13 action account in an amount not more
14 than \$10,000,000. Such amount shall not
15 be taken into account when computing the
16 net amount due to such depositor under
17 clause (i).

18 “(iii) OPT-OUT AND OPT-IN.—

19 “(I) OPT-OUT.—An insured de-
20 pository institution may opt out of the
21 insurance described in clause (ii) dur-
22 ing the 30-day period beginning on
23 the date on which the program is es-
24 tablished.

1 “(II) OPT-IN.—An insured de-
2 pository institution that opts out
3 under subclause (I) may opt into the
4 program every 5 years.

5 “(iv) NONINTEREST-BEARING TRANS-
6 ACTION ACCOUNT DEFINED.—For purposes
7 of this subparagraph, the term ‘non-
8 interest-bearing transaction account’
9 means a deposit or account maintained at
10 an insured depository institution—

11 “(I) with respect to which inter-
12 est is neither accrued nor paid;

13 “(II) on which the depositor or
14 account holder is permitted to make
15 withdrawals by negotiable or transfer-
16 able instrument, payment orders of
17 withdrawal, telephone or other elec-
18 tronic media transfers, or other simi-
19 lar items for the purpose of making
20 payments or transfers to third parties
21 or others; and

22 “(III) on which the insured de-
23 pository institution does not reserve
24 the right to require advance notice of
25 an intended withdrawal.”; and

1 (2) in subparagraph (C), by striking “subpara-
2 graph (B)” and inserting “subparagraph (B)(i)”.

3 (b) CREDIT UNIONS.—Section 207(k)(1) of the Fed-
4 eral Credit Union Act (12 U.S.C. 1787(k)(1)) is amend-
5 ed—

6 (1) in subparagraph (A)—

7 (A) by striking “Subject to the provisions
8 of paragraph (2), the net amount” and insert-
9 ing the following:

10 “(i) NET AMOUNT OF INSURANCE
11 PAYABLE.—Subject to clause (ii) and the
12 provisions of paragraph (2), the net
13 amount”; and

14 (B) by adding at the end the following new
15 clauses:

16 “(ii) INSURANCE FOR NONINTEREST-
17 BEARING TRANSACTION ACCOUNTS.—Not-
18 withstanding clause (i), the Board shall
19 fully insure the net amount that any mem-
20 ber or depositor at an insured credit union
21 maintains in a noninterest-bearing trans-
22 action account in an amount not more
23 than \$10,000,000. Such amount shall not
24 be taken into account when computing the

1 net amount due to such member or deposi-
 2 tor under clause (i).

3 “(iii) OPT-OUT AND OPT-IN.—

4 “(I) OPT-OUT.—An insured cred-
 5 it union may opt out of the insurance
 6 described in clause (ii) during the 30-
 7 day period beginning on the date on
 8 which the program is established.

9 “(II) OPT-IN.—An insured credit
 10 union that opts out under subclause
 11 (I) may opt into the program every 5
 12 years.

13 “(iv) NONINTEREST-BEARING TRANS-
 14 ACTION ACCOUNT DEFINED.—For purposes
 15 of this subparagraph, the term ‘non-
 16 interest-bearing transaction account’
 17 means an account or deposit maintained at
 18 an insured credit union—

19 “(I) with respect to which inter-
 20 est is neither accrued nor paid;

21 “(II) on which the account holder
 22 or depositor is permitted to make
 23 withdrawals by negotiable or transfer-
 24 able instrument, payment orders of
 25 withdrawal, telephone or other elec-

1 tronic media transfers, or other simi-
 2 lar items for the purpose of making
 3 payments or transfers to third parties
 4 or others; and

5 “**(III)** on which the insured cred-
 6 it union does not reserve the right to
 7 require advance notice of an intended
 8 withdrawal.”; and

9 (2) in subparagraph (B), by striking “subpara-
 10 graph (A)” and inserting “subparagraph (A)(i)”.

11 **SEC. 3. INFLATION ADJUSTMENT OF DEPOSIT INSURANCE**

12 **LIMIT.**

13 Section 11(a)(1) of the Federal Deposit Insurance
 14 Act (12 U.S.C. 1821(a)(1)) is amended by striking sub-
 15 paragraph (F) and inserting the following:

16 “(F) **INFLATION ADJUSTMENT.**—The
 17 Board of Directors and the National Credit
 18 Union Administration Board shall jointly pre-
 19 scribe the amount by which the standard max-
 20 imum deposit insurance amount and the stand-
 21 ard maximum share insurance amount (as de-
 22 fined in section 207(k) of the Federal Credit
 23 Union Act) applicable to any depositor at an in-
 24 sured depository institution shall be adjusted on
 25 January 1 once during every 2-year period to

1 reflect the percentage increase, if any, from the
2 preceding fiscal year in the Consumer Price
3 Index For All Urban Consumers, published by
4 the Bureau of Labor Statistics of the Depart-
5 ment of Labor).”.

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