

111TH CONGRESS
2^D SESSION

H. R. 4178

AN ACT

To amend the Federal Deposit Insurance Act to provide for deposit restricted qualified tuition programs, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Deposit Restricted
3 Qualified Tuition Programs Act of 2010”.

4 **SEC. 2. DEPOSIT RESTRICTED QUALIFIED TUITION PRO-**
5 **GRAMS.**

6 Section 18 of the Federal Deposit Insurance Act (12
7 U.S.C. 1828) is amended by adding at the end the fol-
8 lowing new subsection:

9 “(y) DEPOSIT RESTRICTED QUALIFIED TUITION
10 PROGRAMS.—

11 “(1) DEFINITIONS.—For purposes of this sub-
12 section, the following definitions shall apply:

13 “(A) DEPOSIT RESTRICTED QUALIFIED
14 TUITION PROGRAM.—The term ‘deposit re-
15 stricted qualified tuition program’ means a
16 qualified tuition program in which—

17 “(i) the cash provided by a contrib-
18 utor to such a qualified tuition program
19 may be invested only in deposits insured by
20 the Corporation;

21 “(ii) the contributor may become a
22 participant in the program by depositing
23 funds through the program into an account
24 at a depository institution participating in
25 the program; and

1 “(iii) the program may include mul-
2 tiple depository institutions, subject to the
3 requirements of section 529 of the Internal
4 Revenue Code of 1986, as amended.

5 “(B) QUALIFIED TUITION PROGRAM.—The
6 term ‘qualified tuition program’ has the same
7 meaning as in section 529 of the Internal Rev-
8 enue Code of 1986, as amended.

9 “(2) TREATMENT.—Notwithstanding any other
10 provision of the law, the following provisions shall
11 apply with respect to any deposit restricted qualified
12 tuition program:

13 “(A) A deposit restricted qualified tuition
14 program shall be deemed to be an ‘identified
15 banking product’ (as defined in Section 206 of
16 the Gramm-Leach-Bliley Act of 1999) for pur-
17 poses of the Securities Exchange Act of 1934.

18 “(B) None of the following shall be treated
19 as a security, as defined in section 2(a)(1) the
20 Securities Act of 1933, section 3(a)(10) of the
21 Securities Exchange Act of 1934, or section
22 2(a)(36) of the Investment Company Act of
23 1940:

1 “(i) The deposits of cash at an in-
2 sured depository institution relating to a
3 deposit restricted tuition program.

4 “(ii) Any certificate of deposit or
5 other instrument of an insured depository
6 institution evidencing any such deposit.

7 “(iii) The rights and obligations of
8 participants in a deposit restricted quali-
9 fied tuition program arising from section
10 529 of the Internal Revenue Code, as
11 amended.

12 “(C) In no event shall a deposit restricted
13 qualified tuition program, the State entity des-
14 ignated by statute to oversee such program, the
15 administrator appointed to operate the program
16 on behalf of the State or a participating deposi-
17 tory institution, be deemed to be an issuer of a
18 security or to be an investment company (as de-
19 fined in section 3(a) of the Investment Com-
20 pany Act of 1940).”.

21 **SEC. 3. BUDGET COMPLIANCE.**

22 The budgetary effects of this Act, for the purpose of
23 complying with the Statutory Pay-As-You-Go Act of 2010,
24 shall be determined by reference to the latest statement
25 titled “Budgetary Effects of PAYGO Legislation” for this

1 Act, submitted for printing in the Congressional Record
2 by the Chairman of the Committee on the Budget of the
3 House of Representatives, provided that such statement
4 has been submitted prior to the vote on passage.

Passed the House of Representatives April 20, 2010.

Attest:

Clerk.

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