

118TH CONGRESS  
1ST SESSION

# S. 583

To amend the Federal Deposit Insurance Act to permit the Federal Deposit Insurance Corporation to terminate the insured status of a depository institution that refuses to provide services to certain Federal contractors, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 1, 2023

Mr. RUBIO (for himself, Mr. CRUZ, Mr. CRAMER, Mr. COTTON, Mrs. BLACKBURN, and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Federal Deposit Insurance Act to permit the Federal Deposit Insurance Corporation to terminate the insured status of a depository institution that refuses to provide services to certain Federal contractors, 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 “Financial Defense for  
5 Industrial Contractors Act of 2023” or the “FDIC Act  
6 of 2023”.

1 **SEC. 2. TERMINATION OF INSURANCE.**

2 Section 8 of the Federal Deposit Insurance Act (12  
3 U.S.C. 1818) is amended—

4 (1) in subsection (a)(3), by inserting “or (x)”  
5 after “subsection (w)”; and

6 (2) by adding at the end the following:

7 “(x) **TERMINATION OF INSURANCE RELATING TO**  
8 **DENIAL OF SERVICES TO FEDERAL CONTRACTORS.**—

9 “(1) **DEFINITIONS.**—In this subsection—

10 “(A) the term ‘contractor’ means an entity  
11 that—

12 “(i) is a party to a contract with the  
13 Federal Government;

14 “(ii) has complied with all applicable  
15 laws and regulations in fulfilling the re-  
16 sponsibilities of the entity with respect to  
17 the contract described in clause (i); and

18 “(iii) satisfies traditional underwriting  
19 and credit standards with respect to the  
20 banking service sought by the entity under  
21 paragraph (2); and

22 “(B) the term ‘covered institution’ means  
23 an insured depository institution that has more  
24 than \$50,000,000,000 in total consolidated as-  
25 sets.

1           “(2) NOTICE OF TERMINATION;  
2 PRETERMINATION HEARING.—If a covered institu-  
3 tion refuses to provide a banking service sought by  
4 a contractor, the Board of Directors shall—

5           “(A) issue to the insured depository insti-  
6 tution a notice of its intention to terminate the  
7 insured status of the insured depository institu-  
8 tion; and

9           “(B) schedule a hearing on the matter,  
10 which shall be conducted in all respects as a  
11 termination hearing pursuant to paragraphs (3)  
12 through (5) of subsection (a).

13           “(3) TEMPORARY INSURANCE OF PREVIOUSLY  
14 INSURED DEPOSITS.—Upon termination of the in-  
15 sured status of any depository institution pursuant  
16 to paragraph (2), the deposits of such depository in-  
17 stitution shall be treated in accordance with sub-  
18 section (a)(7).”.

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