

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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

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**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 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).”.