

Public Law 113–252
113th Congress

An Act

To amend the Federal Credit Union Act to extend insurance coverage to amounts held in a member account on behalf of another person, and for other purposes.

Dec. 18, 2014

[H.R. 3468]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Credit Union
Share Insurance
Fund Parity Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Credit Union Share Insurance Fund Parity Act”.

SEC. 2. INSURANCE OF AMOUNTS HELD ON BEHALF OF OTHERS.

Section 207(k) of the Federal Credit Union Act (12 U.S.C. 1787(k)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting after “payable to any member” the following: “, or to any person with funds lawfully held in a member account,”; and

(B) by striking “and paragraphs (5) and (6)”;

(2) in paragraph (2)(A), by striking “(as determined under paragraph (5))”;

(3) by redesignating paragraph (5) as paragraph (6); and

(4) by inserting after paragraph (4) the following:

“(5) COVERAGE FOR INTEREST ON LAWYERS TRUST ACCOUNTS (IOLTA) AND OTHER SIMILAR ESCROW ACCOUNTS.—

“(A) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any interest on lawyers trust account (IOLTA) or other similar escrow accounts.

“(B) TREATMENT OF IOLTAS.—

“(i) TREATMENT AS ESCROW ACCOUNTS.—For share insurance purposes, IOLTAs are treated as escrow accounts.

“(ii) TREATMENT AS MEMBER ACCOUNTS.—IOLTAs and other similar escrow accounts are considered member accounts for purposes of paragraph (1), if the attorney administering the IOLTA or the escrow agent administering the escrow account is a member of the insured credit union in which the funds are held.

“(C) DEFINITIONS.—For purposes of this paragraph:

“(i) INTEREST ON LAWYERS TRUST ACCOUNT.—The terms ‘interest on lawyers trust account’ and ‘IOLTA’ mean a system in which lawyers place certain client funds in interest-bearing or dividend-bearing accounts,

with the interest or dividends then used to fund programs such as legal service organizations who provide services to clients in need.

“(ii) PASS-THROUGH SHARE INSURANCE.—The term ‘pass-through share insurance’ means, with respect to IOLTAs and other similar escrow accounts, insurance coverage based on the interest of each person on whose behalf funds are held in such accounts by the attorney administering the IOLTA or the escrow agent administering a similar escrow account, in accordance with regulations issued by the Administration.

“(D) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of an IOLTA or similar escrow account in an amount greater than such credit union is authorized to accept under any other provision of Federal or State law.”.

Approved December 18, 2014.

LEGISLATIVE HISTORY—H.R. 3468:
CONGRESSIONAL RECORD, Vol. 160 (2014):
May 6, considered and passed House.
Dec. 11, considered and passed Senate.