

106TH CONGRESS
1ST SESSION

H. R. 3278

To amend the Federal Deposit Insurance Act and the Federal Home Loan Bank Act to provide for the payment of Financing Corporation interest obligations from balances in the deposit insurance funds in excess of a designated reserve ratio.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 1999

Mr. LUCAS of Oklahoma introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Federal Deposit Insurance Act and the Federal Home Loan Bank Act to provide for the payment of Financing Corporation interest obligations from balances in the deposit insurance funds in excess of a designated reserve ratio.

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 “Financing Corporation
5 Assessment Elimination Act of 1999”.

1 **SEC. 2. USE OF DEPOSIT FUND RESERVES TO PAY FICO IN-**
2 **TEREST OBLIGATIONS.**

3 (a) IN GENERAL.—Section 7(b)(2) of the Federal
4 Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended
5 by inserting after subparagraph (C) the following new sub-
6 paragraph:

7 “(D) USE OF DEPOSIT INSURANCE FUNDS
8 TO PAY FICO INTEREST OBLIGATIONS.—Begin-
9 ning January 1, 2000, and annually thereafter,
10 the Board of Directors shall transfer the funds
11 in the Bank Insurance Fund and the Savings
12 Association Insurance Fund in excess of the
13 amount which is equal to 1.35 percent of the
14 estimated insured deposits insured by each such
15 Fund (or such higher percentage as may have
16 been established as the designated reserve ratio
17 for the respective Fund pursuant to subpara-
18 graph (A)(iv)(II)) to the Financing Corporation
19 to pay the interest payments, issuance costs,
20 and custodial fees described in section 21(f) of
21 the Federal Home Loan Bank Act with regard
22 to obligations issued by the Financing Corpora-
23 tion.”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—

25 (1) Section 21(f) of the Federal Home Loan
26 Bank Act (12 U.S.C. 1441) is amended—

1 (A) by redesignating paragraphs (2) and
2 (3) as paragraphs (3) and (4), respectively;

3 (B) by inserting after paragraph (1) the
4 following new paragraph:

5 “(2) EXCESS DEPOSIT INSURANCE FUND BAL-
6 ANCES.—In addition to the amounts obtained pursu-
7 ant to paragraph (1), the Financing Corporation
8 shall have available the amounts transferred by the
9 Board of Directors of the Federal Deposit Insurance
10 Corporation pursuant to section 7(b)(2)(D) of the
11 Federal Deposit Insurance Act.”;

12 (C) in paragraph (3) (as so redesignated
13 by paragraph (2) of this subsection), by striking
14 “In addition to the amounts obtained pursuant
15 to paragraph (1),” and inserting “To the extent
16 the amounts available under paragraphs (1)
17 and (2) are insufficient to cover the amount of
18 interest payments, issuance costs, and custodial
19 fees,”; and

20 (D) in paragraph (4) (as so redesignated
21 by paragraph (2) of this subsection), by striking
22 “(1) and (2)” and inserting “(1), (2), and (3)”.

23 (2) Section 2703(c)(2) of the Deposit Insurance
24 Funds Act of 1996 (12 U.S.C. 1441 nt.) is
25 amended—

1 (A) by striking “21(f)(2)” and inserting
2 “21(f)(3)”; and

3 (B) by inserting “and redesignated by sec-
4 tion 2(b)(1)(A) of the Financing Corporation
5 Assessment Elimination Act of 1999” after “as
6 amended by subsection (a)”.

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