

111TH CONGRESS  
1ST SESSION

# H. R. 3599

To amend the Federal Deposit Insurance Act to provide for deposit restricted qualified tuition programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2009

Mr. CLEAVER (for himself and Mr. FRANK of Massachusetts) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Deposit Restricted  
5 Qualified Tuition Programs Act of 2009”.

6 **SEC. 2. DEPOSIT RESTRICTED QUALIFIED TUITION PRO-**  
7 **GRAMS.**

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

1       “(y) DEPOSIT RESTRICTED QUALIFIED TUITION  
2 PROGRAMS.—

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

5               “(A) DEPOSIT RESTRICTED QUALIFIED  
6 TUITION PROGRAM.—The term ‘deposit re-  
7 stricted qualified tuition program’ means a  
8 qualified tuition program in which—

9                       “(i) the cash provided by a contrib-  
10 utor to such a qualified tuition program  
11 may be invested only in deposits insured by  
12 the Corporation;

13                      “(ii) the contributor may become a  
14 participant in the program by depositing  
15 funds into an account at a depository insti-  
16 tution participating in the program; and

17                      “(iii) the program may include mul-  
18 tiple depository institutions, subject to the  
19 requirements of section 529 of the Internal  
20 Revenue Code of 1986.

21               “(B) QUALIFIED TUITION PROGRAM.—The  
22 term ‘qualified tuition program’ has the same  
23 meaning as in section 529 of the Internal Rev-  
24 enue Code of 1986.

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

5                   “(A) A deposit restricted qualified tuition  
6                   program shall be deemed to be an ‘identified  
7                   banking product’ (as defined in Section 206 of  
8                   the Gramm-Leach-Bliley Act of 1999) for pur-  
9                   poses of the Securities Exchange Act of 1934.

10                   “(B) None of the following shall be treated  
11                   as a security, as defined in section 2(a)(1) the  
12                   Securities Act of 1933, section 3(a)(10) of the  
13                   Securities Exchange Act of 1934, or section  
14                   2(a)(36) of the Investment Company Act of  
15                   1940:

16                           “(i) The investment of cash in depos-  
17                           its at an insured depository institution  
18                           through a deposit restricted qualified tui-  
19                           tion program.

20                           “(ii) Any certificate of deposit or  
21                           other instrument evidencing any such de-  
22                           posit.

23                           “(iii) Any participation by a contrib-  
24                           utor to a deposit restricted qualified tuition  
25                           program.

1           “(C) In no event shall a deposit restricted  
2           qualified tuition program be deemed to be an  
3           issuer of a security or to be an investment com-  
4           pany (as defined in section 3(a) of the Invest-  
5           ment Company Act of 1940).”.

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