111TH CONGRESS
2D SESSION

H. R. 5511

To amend the Federal Deposit Insurance Act to codify the Transaction Account Guarantee Program of the Federal Deposit Insurance Corporation.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2010

Mr. MARSHALL introduced the following bill; which was referred to the Committee on Financial Services

---

A BILL

To amend the Federal Deposit Insurance Act to codify the Transaction Account Guarantee Program of the Federal Deposit Insurance Corporation.

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 "Transaction Account

5 Guarantee Program Act of 2010".

6 **SEC. 2. TRANSACTION ACCOUNT GUARANTEE PROGRAM.**

7   The Federal Deposit Insurance Act is amended by

8 adding at the end the following new section:

1 **"SEC. 51. TRANSACTION ACCOUNT GUARANTEE PROGRAM.**

2 "(a) ESTABLISHMENT.—There is hereby established

3 the Transaction Account Guarantee Program to provide

4 a full guarantee for funds held in noninterest-bearing

5 transaction accounts of insured depository institutions

6 participating in the TAG Program.

7 "(b) GUARANTEE IN ADDITION TO DEPOSIT INSUR-

8 ANCE.—The guarantee provided for under the TAG Pro-

9 gram is separate, and in addition to, any deposit insurance

10 provided with respect to such funds under this Act.

11 "(c) OPTING-IN TO THE TAG PROGRAM.—

12   "(1) IN GENERAL.—An insured depository in-

13   stitution that wishes to participate in the TAG Pro-

14   gram shall submit an application to the Corporation

15   in such form and manner and containing such infor-

16   mation as the Corporation may require. The Cor-

17   poration shall accept all such applications that do

18   not otherwise conflict with the provisions of this sec-

19   tion.

20   "(2) MINIMUM 6-MONTH PARTICIPATION PE-

21   RIOD.—An insured depository institution that opts-

22   in to the TAG Program may not opt-out of the pro-

23   gram during the 6-month period beginning on the

24   date on which the such institution opts-in to the

25   TAG Program.

1 ''(3) WAITING PERIOD AFTER OPTING-OUT.—

2 An insured depository institution may not apply to

3 participate in the TAG Program if such institution

4 has opted-out of the TAG Program during the pre-

5 vious 6-month period.

6 ''(d) OPT-OUT REQUIREMENTS.—

7 ''(1) IN GENERAL.—An insured depository in-

8 stitution may opt-out of the TAG Program by pro-

9 viding notice to the Corporation in such form and

10 manner and containing such information as the Cor-

11 poration may require.

12 ''(2) CUSTOMER NOTICE REQUIREMENT.—An

13 insured depository institution that chooses to opt-out

14 of the TAG Program shall notify each person with

15 a noninterest-bearing transaction account with the

16 institution that the institution is opting-out of the

17 TAG Program.

18 ''(e) ASSESSMENTS.—

19 ''(1) IN GENERAL.—The Corporation shall levy

20 assessments on those insured depository institutions

21 participating in the TAG Program.

22 ''(2) RISK-BASED ASSESSMENT SYSTEM.—In

23 levying assessments under paragraph (1), the Cor-

24 poration shall levy higher assessments on those in-

25 sured depository institutions that the Corporation

1   determines present a higher risk that the Corpora-
2   tion will incur a loss under the TAG Program with
3   respect to such institutions.

4   "(3) AMOUNT OF ASSESSMENT.—The Corpora-
5   tion shall set the amount of assessments made under
6   paragraph (1) at a level such that the aggregate
7   amount of all assessments is sufficient to cover the
8   estimated amount of payments made by the Cor-
9   poration by reason of guarantees made under the
10 TAG Program.

11 "(f) RULEMAKING.—The Corporation shall issue
12 such regulations as are necessary to carry out the provi-
13 sions of this section.

14 "(g) DEFINITIONS.—For purposes of this section:

15   "(1) NONINTEREST-BEARING TRANSACTION AC-
16 COUNT.—The term 'noninterest-bearing transaction
17 account' means—

18   "(A) a transaction account with respect to
19   which interest is neither accrued nor paid and
20   on which the insured depository institution does
21   not reserve the right to require advance notice
22   of an intended withdrawal;

23   "(B) accounts commonly known as Interest
24   on Lawyers Trust Accounts, or functionally
25   equivalent accounts; and

1   "(C) negotiable order of withdrawal ac-

2   counts with interest rates no higher than 0.50

3   percent, if the insured depository institution at

4   which the account is held has committed to

5   maintain the interest rate at or below 0.50 per-

6   cent.

7   "(2) TAG PROGRAM.—The term 'TAG Pro-

8   gram' means the Transaction Account Guarantee

9   Program established under subsection (a).".

○