

114TH CONGRESS
2D SESSION

H. R. 6162

To amend the Federal Deposit Insurance Act to ensure that prepaid funds deposited in an insured depository institution satisfy the requirements of the primary purpose exclusion to the definition of deposit broker, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2016

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

A BILL

To amend the Federal Deposit Insurance Act to ensure that prepaid funds deposited in an insured depository institution satisfy the requirements of the primary purpose exclusion to the definition of deposit broker, 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 “Protect Prepaid Ac-
5 counts Act of 2016”.

1 **SEC. 2. LIMITED EXCLUSION FOR PREPAID CARD DEPOS-**
2 **ITS.**

3 (a) IN GENERAL.—Section 29 of the Federal Deposit
4 Insurance Act (12 U.S.C. 1831f) is amended by adding
5 at the end the following new subsection:

6 “(i) LIMITED EXCLUSION FOR PREPAID CARD DE-
7 POSITS.—

8 “(1) IN GENERAL.—Prepaid funds deposited by
9 an agent or nominee in an insured depository insti-
10 tution shall satisfy the requirements of the primary
11 purpose exclusion to the definition of deposit broker
12 set forth in subsection (g)(2)(I) of this section, un-
13 less such agent or nominee controls the deposits and
14 has the contractual right to cause the transfer of
15 such deposits from the insured depository institution
16 then holding the deposits to another insured deposi-
17 tory institution selected by such agent or nominee.

18 “(2) DEFINITIONS.—In this subsection, the fol-
19 lowing definitions shall apply:

20 “(A) PREPAID FUNDS.—The term ‘prepaid
21 funds’ means—

22 “(i) funds deposited through a pre-
23 paid program (as defined in
24 1010.100(ff)(4)(iii) of title 31, Code of
25 Federal Regulations); or

1 “(ii) funds available from a card,
2 code, or other device that is not otherwise
3 an account (as defined in 1005.2(b)(1) of
4 title 31, Code of Federal Regulations) that
5 is established primarily for personal,
6 household, or family purposes, where such
7 card, code, or other device is—

8 “(I) issued on a prepaid basis to
9 a consumer in a specified amount, or
10 is not issued on a prepaid basis but
11 capable of being loaded with funds
12 thereafter; and

13 “(II) redeemable at multiple un-
14 affiliated merchants for goods or serv-
15 ices, usable at automated teller ma-
16 chines, or usable for person-to-person
17 transfers.”.

18 (b) APPLICABILITY.—Nothing in this Act or the
19 amendment made by this Act shall be construed to limit
20 the application of any provision of the Federal Deposit In-
21 surance Act, other than section 29 of such Act (12 U.S.C.
22 1831f), to an insured depository institution (as defined in
23 section 3(c) of such Act (12 U.S.C. 1813(c))).

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