

118TH CONGRESS  
2D SESSION

# H. R. 10542

To amend the Federal Deposit Insurance Act and the Federal Credit Union Act to authorize a temporary transaction account guarantee program, expand deposit and share insurance to cover business payment accounts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2024

Ms. WATERS 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 and the Federal Credit Union Act to authorize a temporary transaction account guarantee program, expand deposit and share insurance to cover business payment accounts, 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 “Employee Paycheck  
5       and Small Business Protection Act”.

1 **SEC. 2. EXPANDED INSURANCE COVERAGE FOR BUSINESS**

2 **PAYMENT ACCOUNTS.**

3 (a) INSURED DEPOSITORY INSTITUTIONS.—

4 (1) IN GENERAL.—Section 11(a) of the Federal  
5 Deposit Insurance Act (12 U.S.C. 1821(a)) is  
6 amended—

7 (A) in paragraph (1)(B), by striking “The  
8 net amount” and inserting “Except as provided  
9 in paragraph (6), the net amount”; and

10 (B) by adding at the end the following:

11 “(6) EXPANDED INSURANCE COVERAGE FOR  
12 BUSINESS PAYMENT ACCOUNTS.—

13 “(A) INSURANCE REQUIRED.—Notwith-  
14 standing paragraph (1), the Corporation shall  
15 establish a program under which the Corpora-  
16 tion shall fully insure the deposits that any de-  
17 positor at an insured depository institution  
18 maintains in a covered transaction account in  
19 accordance with subparagraph (B).

20 “(B) AMOUNT.—The Corporation may  
21 only provide insurance for deposits under sub-  
22 paragraph (A) in an amount of net deposits up  
23 to \$100,000,000 per depositor per depository  
24 institution.

25 “(C) EXCLUSION FROM NET AMOUNT OF  
26 INSURED DEPOSITS.—Any amount of deposits

1 insured under this paragraph shall not be taken  
2 into account when computing the net amount  
3 due to such depositor under paragraph (1)(B).

4 “(D) COVERED TRANSACTION ACCOUNT  
5 DEFINED.—In this paragraph, the term ‘cov-  
6 ered transaction account’ means a deposit or  
7 account maintained at an insured depository in-  
8 stitution—

9 “(i) by a business, non-profit, munici-  
10 pality, or similar organization;

11 “(ii) used predominantly for trans-  
12 actions, including payroll payments, vendor  
13 payments, and any other regular payments  
14 made to support the work or mission of the  
15 account holder; and

16 “(iii) that is non-interest bearing or  
17 that pays interest materially below pre-  
18 vailing market rates, as determined by the  
19 Corporation.”.

20 (2) APPLICABILITY.—The amendments made  
21 by this subsection shall apply with respect to a cov-  
22 ered transaction account (as defined in paragraph  
23 (6)(D) of section 11(a) of the Federal Deposit In-  
24 surance Act, as added by this section) on the date

1 of the issuance of a final rule described in subsection  
2 (d).

3 (b) CREDIT UNIONS.—

4 (1) IN GENERAL.—Section 207(k) of the Fed-  
5 eral Credit Union Act (12 U.S.C. 1787(k)) is  
6 amended—

7 (A) in paragraph (1)(A), by inserting “and  
8 except as provided in paragraph (7)” after  
9 “paragraph (2)”; and

10 (B) by adding at the end the following:

11 “(7) EXPANDED INSURANCE COVERAGE FOR  
12 BUSINESS PAYMENT ACCOUNTS.—

13 “(A) INSURANCE REQUIRED.—Notwith-  
14 standing paragraph (1), the Board shall estab-  
15 lish a program under which the Board shall  
16 fully insure the deposits or shares in members  
17 accounts of an insured credit union that are  
18 covered transaction accounts in accordance with  
19 subparagraph (B).

20 “(B) AMOUNT.—The Board may only pro-  
21 vide insurance under subparagraph (A) in an  
22 amount of the net deposits or shares up to  
23 \$100,000,000 per member per insured credit  
24 union.

1           “(C) EXCLUSION FROM NET AMOUNT OF  
2           INSURED DEPOSITS OR SHARES.—Any amount  
3           of deposits or shares insured under this para-  
4           graph shall not be taken into account when  
5           computing the net amount due under paragraph  
6           (1)(A).

7           “(D) COVERED TRANSACTION ACCOUNT  
8           DEFINED.—In this paragraph, the term ‘cov-  
9           ered transaction account’ means a deposit,  
10          share, or account maintained at an insured  
11          credit union—

12                 “(i) by a business, non-profit, munici-  
13                 pality, or similar organization;

14                 “(ii) used predominantly for trans-  
15                 actions, including payroll payments, vendor  
16                 payments, and any other regular payments  
17                 made to support the work or mission of the  
18                 account holder; and

19                 “(iii) that is non-interest bearing or  
20                 that pays interest materially below pre-  
21                 vailing market rates, as determined by the  
22                 Board.”.

23          (2) APPLICABILITY.—The amendments made  
24          by this subsection shall apply with respect to a cov-  
25          ered transaction account (as defined in section

1 207(k)(7)(D) of the Federal Credit Union Act, as  
2 added by this section) on the date of the issuance of  
3 a final rule described in subsection (d).

4 (c) DATA COLLECTION AND ANALYSIS.—

5 (1) IN GENERAL.—

6 (A) FDIC.—Not later than 90 days after  
7 the date of the enactment of this Act, the Fed-  
8 eral Deposit Insurance Corporation shall begin  
9 collecting and analyzing data from insured de-  
10 pository institutions to establish requirements  
11 for the program established under paragraph  
12 (6) of section 11(a) of the Federal Deposit In-  
13 surance Act, as added by this Act, including to  
14 determine the eligibility of covered transaction  
15 accounts and the amount of deposits to be in-  
16 sured under such program, as appropriate.

17 (B) NCUA.—Not later than 90 days after  
18 the date of the enactment of this Act, the Na-  
19 tional Credit Union Administration Board shall  
20 begin collecting and analyzing data from in-  
21 sured credit unions to establish requirements  
22 for the program established under paragraph  
23 (7) of section 207(k) of the Federal Credit  
24 Union Act, as added by this Act, including to  
25 determine the eligibility of covered transaction

1 accounts and the amount of deposits or shares  
2 to be insured under such program, as appro-  
3 priate.

4 (2) ELEMENTS.—In establishing the eligibility  
5 of covered transaction accounts and the amount of  
6 deposits or shares to be insured as described in  
7 paragraph (1), the Federal Deposit Insurance Cor-  
8 poration and the National Credit Union Administra-  
9 tion Board, respectively, shall consider the following:

10 (A) The eligibility of covered transaction  
11 accounts and the maximum insurance amount  
12 for such deposits or shares to promote safety  
13 and soundness of insured depository institutions  
14 and insured credit unions, as applicable.

15 (B) The eligibility of covered transaction  
16 accounts and the maximum insurance amount  
17 for such deposits or shares to promote stability  
18 of the financial system of the United States.

19 (C) The eligibility of covered transaction  
20 accounts and the maximum insurance amount  
21 for such deposits or shares to promote a com-  
22 petitive depository market structure that, as ap-  
23 plicable, includes—

24 (i) minority depository institutions (as  
25 defined in section 308 of the Financial In-

stitutions Reform, Recovery, and Enforcement Act of 1989) and minority insured credit unions;

(ii) rural depository institutions and rural insured credit unions;

(iii) depository institutions and credit unions that are community development financial institutions (as defined in section 103(5) of the Riegle Community Development and Regulatory Improvement Act of 1994); and

(iv) other large, small, and medium-sized insured depository institutions and insured credit unions.

(D) The eligibility of covered transaction accounts and the maximum insurance amount for such deposits or shares to ensure holders of covered transaction accounts would be able to meet payment obligations in a timely fashion, including payroll and vendor payment obligations.

(E) The expected effect of assessment or premium adjustments on insured depository institutions and insured credit unions, as applicable.



1           (3) PUBLICATION.—Not later than 18 months  
2           after the date of the enactment of this Act, the Fed-  
3           eral Deposit Insurance Corporation and the National  
4           Credit Union Administration Board shall—

5                   (A) make publicly available a report with  
6                   detailed analyses conducted under this sub-  
7                   section, including aggregated data; and

8                   (B) make available to the Committee on  
9                   Financial Services of the House of Representa-  
10                  tives and Committee on Banking, Housing, and  
11                  Urban Affairs of the Senate the data collected  
12                  under this subsection.

13       (d) RULEMAKING.—

14           (1) PROPOSED RULEMAKING.—

15                   (A) IN GENERAL.—Not later than 18  
16                   months after the date of the enactment of this  
17                   Act, the Federal Deposit Insurance Corporation  
18                   and the National Credit Union Administration  
19                   Board shall each issue a proposed rule to carry  
20                   out the requirements of this section and the  
21                   amendments made by this section.

22                   (B) ADDITIONAL REQUIREMENTS.—The  
23                   Federal Deposit Insurance Corporation and the  
24                   National Credit Union Administration Board  
25                   shall consult with the Board of Governors of

1 the Federal Reserve System and the Comp-  
2 troller of the Currency before issuing a pro-  
3 posed rule required under subparagraph (A).

4 (C) TESTIMONY.—The Chairperson of the  
5 Federal Deposit Insurance Corporation and the  
6 Chairman of the National Credit Union Admin-  
7 istration Board shall testify before the Finan-  
8 cial Services Committee of the House of Rep-  
9 resentatives and Committee on Banking, Hous-  
10 ing, and Urban Affairs of the Senate, at a time  
11 determined by the Chairs of those Committees  
12 that is after the date on which the proposed  
13 rule described in subparagraph (A) is issued.

14 (2) FINAL RULEMAKING.—

15 (A) IN GENERAL.—Not later than 30  
16 months after the date of the enactment of this  
17 Act, the Federal Deposit Insurance Corporation  
18 and the National Credit Union Administration  
19 Board shall each issue a final rule to carry out  
20 the requirements of this section and the amend-  
21 ments made by this section.

22 (B) JOINT DETERMINATIONS REQUIRED.—  
23 Each rule described under subparagraph (A)  
24 shall contain the following, which shall be joint-  
25 ly determined by the Federal Deposit Insurance

1 Corporation and the National Credit Union Ad-  
2 ministration Board:

3 (i) A definition of the term “deposits”  
4 and “deposits or shares” that applies to  
5 both programs.

6 (ii) A maximum insurance amount for  
7 deposits or shares held in a covered trans-  
8 action account that applies to both pro-  
9 grams.

10 (3) FAILURE TO ISSUE A FINAL RULE.—If the  
11 Federal Deposit Insurance Corporation or the Na-  
12 tional Credit Union Administration Board do not  
13 issue a final rule required under paragraph (2) be-  
14 fore the deadline described in that paragraph—

15 (A) the Chair of each agency failing to  
16 issue a final rule shall—

17 (i) testify before the Committee on Fi-  
18 nancial Services of the House of Rep-  
19 resentatives and Committee on Banking,  
20 Housing, and Urban Affairs of the Senate  
21 regarding the reasons why the agency has  
22 not yet issued a final rule; and

23 (ii) submit a report to such Commit-  
24 tees that includes—

1 (I) an assessment of the benefits  
2 and challenges posed by expanding de-  
3 posit or share insurance as required,  
4 as applicable, under the program es-  
5 tablished under paragraph (6) of sec-  
6 tion 11(a) of the Federal Deposit In-  
7 surance Act (as added by this Act)  
8 and the program established under  
9 paragraph (7) of section 207(k) of the  
10 Federal Credit Union Act (as added  
11 by this Act); and

12 (II) any recommendations for ad-  
13 ministrative or legislative modifica-  
14 tions;

15 (B) the Comptroller General of the United  
16 State shall conduct a review of the reports re-  
17 quired under subsection (c), along with any  
18 other relevant data, and submit to Congress a  
19 report on—

20 (i) the benefits and challenges posed  
21 by—

22 (I) the program established  
23 under paragraph (6) of section 11(a)  
24 of the Federal Deposit Insurance Act,  
25 as added by this Act; and

1 (II) the program established  
 2 under paragraph (7) of section 207(k)  
 3 of the Federal Credit Union Act, as  
 4 added by this Act; and  
 5 (ii) any recommendations for legisla-  
 6 tive or regulatory actions.

7 (e) EXTENSION OF DEPOSIT INSURANCE FUND AND  
 8 NATIONAL CREDIT UNION SHARE INSURANCE FUND  
 9 RESTORATION PLANS.—A Deposit Insurance Fund res-  
 10 toration plan (as defined under section 7(b)(3)(E) of the  
 11 Federal Deposit Insurance Act (12 U.S.C.  
 12 1817(b)(3)(E))) or a restoration plan for the National  
 13 Credit Union Share Insurance Fund (as described in sec-  
 14 tion 202(c)(2)(D) of the Federal Credit Union Act (12  
 15 U.S.C. 1782(c)(2)(D))) in effect on the date of the enact-  
 16 ment of this Act shall be extended for a period of 8 years  
 17 beginning on the effective date of a final rule issued by  
 18 the applicable agency pursuant to subsection (d).

19 **SEC. 3. TEMPORARY TRANSACTION ACCOUNT GUARANTEE**  
 20 **PROGRAM.**

21 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
 22 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823)  
 23 is amended by adding at the end the following:

24 “(l) INSURANCE OF CERTAIN UNINSURED DEPOSITS  
 25 TO PRESERVE FINANCIAL STABILITY.—

1           “(1) ESTABLISHMENT OF PROGRAM FRAME-  
2       WORK.—The Corporation shall, by rule, establish a  
3       framework for a Temporary Transaction Account  
4       Guarantee Program (the ‘Program’) under which  
5       the Corporation fully insures the net amount any de-  
6       positor at an insured depository institution main-  
7       tains in a covered transaction account for a single  
8       period not to exceed 180 days.

9           “(2) IMPLEMENTATION.—The Corporation may  
10      implement the Program only if, upon the written  
11      recommendation of the Board of Directors (upon a  
12      vote of not less than two-thirds of the members of  
13      the Board of Directors) and the Board of Governors  
14      of the Federal Reserve System (upon a vote of not  
15      less than two-thirds of the members of such Board),  
16      the Secretary of the Treasury (in consultation with  
17      the President) determines that the failure to imple-  
18      ment the program would have serious adverse effects  
19      on financial stability or economic conditions in the  
20      United States.

21           “(3) ELIGIBILITY.—An insolvent insured depos-  
22      itory institution is not eligible to be enrolled in the  
23      Program.

24           “(4) FUNDING.—In implementing the Program,  
25      the Corporation may—

1           “(A) establish assessments on insured de-  
2           pository institutions that participate in the Pro-  
3           gram; and

4           “(B) use amounts available in the Deposit  
5           Insurance Fund.

6           “(5) EXTENSION.—The Corporation may ex-  
7           tend the period described in paragraph (2) for an  
8           additional 90 days if—

9           “(A) the Board of Directors (upon a vote  
10          of not less than two-thirds of the members of  
11          the Board of Directors), the Board of Gov-  
12          ernors of the Federal Reserve System (upon a  
13          vote of not less than two-thirds of the members  
14          of such Board), and the Secretary (in consulta-  
15          tion with the President) determines that the  
16          failure to extend such program would have seri-  
17          ous adverse effects on financial stability or eco-  
18          nomic conditions in the United States; and

19          “(B) the Secretary of the Treasury sub-  
20          mits to Congress a report containing data and  
21          analysis, including data and analysis from the  
22          Board of Directors and the Board of Governors  
23          of the Federal Reserve System, justifying such  
24          extension.

1           “(6) TESTIMONY.—Not later than 45 days after  
2           any implementation of the Program, the Chairperson  
3           of the Board of Directors, the Chairman of the  
4           Board of Governors of the Federal Reserve System,  
5           and the Secretary of the Treasury shall provide tes-  
6           timony to the Committee on Financial Services Com-  
7           mittee of the House of Representatives and the  
8           Committee on Banking, Housing, and Urban Affairs  
9           of the Senate describing the data, analysis, and jus-  
10          tification for implementing the Program.

11          “(7) GAO REPORT.—Not later than 90 days  
12          after any implementation of the Program, the Comp-  
13          troller General of the United States shall submit to  
14          Congress a report describing the implementation of  
15          the Program.

16          “(8) COVERED TRANSACTION ACCOUNT DE-  
17          FINED.—In this subsection, the term ‘covered trans-  
18          action account’ means a transaction account that is  
19          non-interest bearing or that pays interest materially  
20          below prevailing market rates, as determined by the  
21          Corporation.

22          “(9) TERMINATION.—

23                 “(A) IN GENERAL.—Any implementation  
24                 of the Program shall terminate not later than  
25                 270 days after the date of implementation un-



1 less the Board of Directors (upon a vote of not  
2 less than two-thirds of the members of the  
3 Board of Directors) and the Board of Gov-  
4 ernors of the Federal Reserve System (upon a  
5 vote of not less than two-thirds of the members  
6 of such Board) submits to the Secretary of the  
7 Treasury a written recommendation to not ter-  
8minate the program, and—

9 “(i) the Secretary of the Treasury—

10 “(I) submits to Congress a report  
11 containing data and analysis to justify  
12 not terminating the Program that in-  
13 cludes data and analysis from the  
14 Board of Directors and the Board of  
15 Governors of the Federal Reserve Sys-  
16 tem; and

17 “(II) requests approval from  
18 Congress to extend the Program for a  
19 specified period of time; and

20 “(ii) a joint resolution of approval is  
21 enacted to extend the Program.

22 “(B) PROCEDURES FOR JOINT RESOLU-  
23 TION OF APPROVAL.—The procedures provided  
24 for congressional consideration of a joint resolu-  
25 tion under section 1105(d) of the Dodd-Frank

1 Wall Street Reform and Consumer Protection  
2 Act shall apply to a joint resolution of approval  
3 described under subparagraph (A)(ii).”.

4 (b) INSURED CREDIT UNIONS.—Section 207 of the  
5 Federal Credit Union Act (12 U.S.C. 1787) is amended  
6 by adding at the end the following:

7 “(s) INSURANCE OF CERTAIN UNINSURED DEPOSITS  
8 TO PRESERVE FINANCIAL STABILITY.—

9 “(1) IN GENERAL.—The National Credit Union  
10 Administration Board may establish a program  
11 under which the Board fully insures the net amount  
12 in member accounts of an insured credit union that  
13 are covered transaction accounts for a single period  
14 not to exceed 180 days if, upon the written rec-  
15 ommendation of such Board (upon a vote of not less  
16 than two-thirds of the members of such Board) and  
17 the Board of Governors of the Federal Reserve Sys-  
18 tem (upon a vote of not less than two-thirds of the  
19 members of such Board), the Secretary of the Treas-  
20 ury (in consultation with the President) determines  
21 that the failure to establish such program would  
22 have serious adverse effects on financial stability or  
23 economic conditions in the United States.

1           “(2) ELIGIBILITY.—An insolvent insured credit  
2       union is not eligible to be enrolled in a program es-  
3       tablished under this subsection.

4           “(3) FUNDING.—To carry out a program under  
5       this subsection, the Board may—

6               “(A) establish assessments on insured  
7       credit unions that participate in such a pro-  
8       gram; and

9               “(B) use amounts available in the Fund.

10          “(4) EXTENSION.—The National Credit Union  
11       Administration Board may extend the period de-  
12       scribed in paragraph (1) for an additional 90 days  
13       if—

14               “(A) the National Credit Union Adminis-  
15       tration Board (upon a vote of not less than  
16       two-thirds of the members of such Board), the  
17       Board of Governors of the Federal Reserve Sys-  
18       tem (upon a vote of not less than two-thirds of  
19       the members of such Board), and the Secretary  
20       of the Treasury (in consultation with the Presi-  
21       dent) determines that the failure to extend such  
22       program would have serious adverse effects on  
23       financial stability or economic conditions in the  
24       United States; and

1           “(B) the Secretary of the Treasury sub-  
2           mits to Congress a report containing data and  
3           analysis, including data and analysis from the  
4           Board of Directors and the Board of Governors  
5           of the Federal Reserve System, justifying such  
6           extension.

7           “(5) TESTIMONY.—Not later than 45 days after  
8           the establishment of a program under this sub-  
9           section, the Chairman, the Chairman of the Board  
10          of Governors of the Federal Reserve System, and the  
11          Secretary of the Treasury shall provide testimony to  
12          the Committee on Financial Services of the House of  
13          Representatives and the Committee on Banking,  
14          Housing, and Urban Affairs of the Senate describing  
15          the data, analysis, and justification for establishing  
16          the program under this subsection.

17          “(6) GAO REPORT.—Not later than 90 days  
18          after the establishment of a program under this sub-  
19          section, the Comptroller General of the United  
20          States shall submit to Congress a report describing  
21          the establishment of such program.

22          “(7) COVERED TRANSACTION ACCOUNT DE-  
23          FINED.—In this subsection, the term ‘covered trans-  
24          action account’ means a transaction account that is  
25          non-interest bearing or that pays interest materially

1 below prevailing market rates, as determined by the  
2 National Credit Union Administration Board.

3 “(8) TERMINATION.—

4 “(A) IN GENERAL.—A program established  
5 under this subsection shall terminate not later  
6 than 270 days after the date of establishment  
7 unless the Board (upon a vote of not less than  
8 two-thirds of the members of such Board) and  
9 the Board of Governors of the Federal Reserve  
10 System (upon a vote of not less than two-thirds  
11 of the members of such Board) submits to the  
12 Secretary of the Treasury a written rec-  
13 ommendation to not terminate the program,  
14 and—

15 “(i) the Secretary of the Treasury—

16 “(I) submits to Congress a report  
17 containing data and analysis to justify  
18 not terminating the program that in-  
19 cludes data and analysis from the  
20 Board and the Board of Governors of  
21 the Federal Reserve System; and

22 “(II) requests approval from  
23 Congress to extend the program for a  
24 specified period of time; and

1 “(ii) a joint resolution of approval is  
2 enacted to extend the program.

3 “(B) PROCEDURES FOR JOINT RESOLU-  
4 TION OF APPROVAL.—The procedures provided  
5 for congressional consideration of a joint resolu-  
6 tion under section 1105(d) of the Dodd-Frank  
7 Wall Street Reform and Consumer Protection  
8 Act shall apply to a joint resolution of approval  
9 described under subparagraph (A)(ii).”.

10 (c) MODIFICATION TO EXPEDITED PROCEDURES.—  
11 Section 1105(d) of the Dodd-Frank Wall Street Reform  
12 and Consumer Protection Act (12 U.S.C. 5612(d)) is  
13 amended—

14 (1) by redesignating paragraph (4) as para-  
15 graph (5); and

16 (2) by inserting after paragraph (3) the fol-  
17 lowing:

18 “(4) CONSIDERATION IN THE HOUSE OF REP-  
19 RESENTATIVES.—Upon receipt of a request under  
20 subsection (c), a joint resolution introduced in the  
21 House of Representatives in connection with such re-  
22 quest shall be privileged.”.

○