

TIME DEPOSITS; INTEREST RATES, LIMITATION

Pub. L. 93-123, Oct. 15, 1973, 87 Stat. 448, provided that in carrying out the Act of September 21, 1966 (Pub. L. 89-597) [enacting section 1425b of this title, amending sections 355, 371b, 461, and 1828 of this title and section 771 of former Title 31, repealing section 462a-1 of this title, and enacting provisions set out as notes under section 461 of this title] and other provisions of law, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board take action to limit rates of interest or dividends paid on time deposits of less than \$100,000 by institutions regulated by them, prior to repeal by Pub. L. 96-221, title II, §207(b)(13), Mar. 31, 1980, 94 Stat. 144, eff. 6 years after Mar. 31, 1980.

§ 371b-1. Repealed. Pub. L. 96-221, title V, § 529, Mar. 31, 1980, 94 Stat. 168

Section, act Dec. 23, 1913, ch. 6, §19(k), as added Dec. 28, 1979, Pub. L. 96-161, title II, §208, 93 Stat. 1238, provided that no member bank or affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate could plead, raise, or claim directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which could be charged, taken, received, or reserved, that any such provision was preempted, and that no civil or criminal penalty which would otherwise have been applicable under such provision would apply to such member bank or affiliate or to any other person.

Editorial Notes

PRIOR PROVISIONS

A prior section 371b-1, act Dec. 23, 1913, ch. 6, §19(k), as added Nov. 5, 1979, Pub. L. 96-104, title II, §201, 93 Stat. 792, identical to this section as added by Pub. L. 96-161, was repealed by section 212 of Pub. L. 96-161, effective at the close of Dec. 27, 1979, except that its provisions would continue to apply to deposits made or obligations issued in any State on or after Nov. 5, 1979, but prior to such repeal. See Effective Date of 1979 Amendment note set out below.

A prior section 371b-1, act Dec. 23, 1913, ch. 6, §19(k), as added Oct. 29, 1974, Pub. L. 93-501, title III, §301, 88 Stat. 1560, identical to this section as added by Pub. L. 96-104, was repealed by section 1 of Pub. L. 96-104 except that its provisions shall continue to apply to any deposit made or obligation issued in any State during the period specified in section 304 of Pub. L. 93-501. See Effective and Termination Date of 1974 Amendment note set out below.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Pub. L. 96-221, title V, § 529, Mar. 31, 1980, 94 Stat. 168, provided in part that the repeal of this section is effective at the close of Mar. 31, 1980.

SAVINGS PROVISION

Pub. L. 96-221, title V, § 529, Mar. 31, 1980, 94 Stat. 168, provided in part that, notwithstanding the repeal of Pub. L. 96-104 and title II of Pub. L. 96-161, this section [which had been enacted by those laws] shall continue to apply to any loan made, any deposit made, or any obligation issued in any State during any period when this section was in effect in such State.

EFFECTIVE DATE OF 1979 AMENDMENTS

Prior to repeal by Pub. L. 96-221, title V, § 529, Mar. 31, 1980, 94 Stat. 168, it was provided by Pub. L. 96-161,

title II, §211, Dec. 28, 1979, 93 Stat. 1239, that: "The amendments made by sections 208, 209, and 210 of this title [enacting this section and amending sections 1425b and 1828 of this title] shall apply only with respect to deposits made or obligations issued in any State during the period beginning on the date of the enactment of this Act [Dec. 28, 1979] and ending on the earliest of—

"(1) in the case of a State statute, July 1, 1980;

"(2) the date, after the date of the enactment of this Act [Dec. 28, 1979], on which such State adopts a law stating in substance that such State does not want the amendments made by sections 208, 209, and 210 of this title to apply with respect to such deposits and obligations; or

"(3) the date on which such State certifies that the voters of such State, after the date of the enactment of this Act [Dec. 28, 1979], have voted in favor of, or to retain, any law, provision of the constitution of such state, or amendment to the constitution of such State which limits the amount of interest which may be charged in connection with such deposits and obligations."

Prior to its repeal by Pub. L. 96-161, title II, §212, Dec. 28, 1979, 93 Stat. 1239, it was provided by Pub. L. 96-104, title II, §204, Nov. 5, 1979, 93 Stat. 793, that: "The amendments made by this title [enacting this section and amending sections 1425b and 1828 of this title] shall apply only with respect to deposits made or obligations issued in any State during the period beginning on the date of the enactment of this Act [Nov. 5, 1979] and ending on the earlier of—

"(1) July 1, 1981;

"(2) the date, after the date of the enactment of this Act [Nov. 5, 1979], on which such State adopts a law stating in substance that such State does not want the amendments made by this title to apply with respect to such deposits and obligations; or

"(3) the date on which such State certifies that the voters of such State, after the date of the enactment of this Act [Nov. 5, 1979], have voted in favor of, or to retain, any law, provision of the constitution of such State, or amendment to the constitution of such State which limits the amount of interest which may be charged in connection with such deposits and obligations."

EFFECTIVE AND TERMINATION DATES OF 1974 AMENDMENT

Prior to repeal by Pub. L. 96-104, §1, Nov. 5, 1979, 93 Stat. 789, it was provided by Pub. L. 93-501, title III, §304, Oct. 29, 1974, 88 Stat. 1561, that: "The amendments made by this title [which enacted this section and amended sections 1425b and 1828 of this title] shall apply to any deposit made or obligation issued in any State after the date of enactment of this title [Oct. 29, 1974], but prior to the earlier of (1) July 1, 1977 or (2) the date (after such date of enactment) on which the State enacts a provision of law which limits the amount of interest which may be charged in connection with deposits or obligations referred to in the amendments made by this title."

STATES HAVING CONSTITUTIONAL PROVISIONS REGARDING MAXIMUM INTEREST RATES

Pub. L. 96-161, title II, §213, Dec. 28, 1979, 93 Stat. 1240, provided that the provisions of title II of Pub. L. 96-161, which enacted this section, repealed former section 371b-1 of this title, and enacted provisions set out as a note under this section, continued to apply until July 1, 1981, in the case of any State having a constitutional provision regarding maximum interest rates.

§ 371b-2. Interbank liabilities

(a) Purpose

The purpose of this section is to limit the risks that the failure of a large depository institution (whether or not that institution is an insured depository institution) would pose to insured depository institutions.