

AMENDMENT TO THE RULES COMMITTEE PRINT

119–8

OFFERED BY MS. WATERS OF CALIFORNIA

At the end of title XVII, insert the following new section:

1 **SEC. 17____. EMPLOYEE PAYCHECK AND SMALL BUSINESS**

2 **PROTECTION.**

3 (a) EXPANDED INSURANCE COVERAGE FOR BUSI-
4 NESS PAYMENT ACCOUNTS.—

5 (1) INSURED DEPOSITORY INSTITUTIONS.—

6 (A) IN GENERAL.—Section 11(a) of the
7 Federal Deposit Insurance Act (12 U.S.C.
8 1821(a)) is amended—

9 (i) in paragraph (1)(B), by striking
10 “The net amount” and inserting “Except
11 as provided in paragraph (6), the net
12 amount”; and

13 (ii) by adding at the end the fol-
14 lowing:

15 “(6) EXPANDED INSURANCE COVERAGE FOR
16 BUSINESS PAYMENT ACCOUNTS.—

17 “(A) INSURANCE REQUIRED.—Notwith-
18 standing paragraph (1), the Corporation shall

1 establish a program under which the Corpora-
2 tion shall fully insure the deposits that any de-
3 positor at an insured depository institution
4 maintains in a covered transaction account in
5 accordance with subparagraph (B).

6 “(B) AMOUNT.—The Corporation may
7 only provide insurance for deposits under sub-
8 paragraph (A) in an amount of net deposits up
9 to \$100,000,000 per depositor per depository
10 institution.

11 “(C) EXCLUSION FROM NET AMOUNT OF
12 INSURED DEPOSITS.—Any amount of deposits
13 insured under this paragraph shall not be taken
14 into account when computing the net amount
15 due to such depositor under paragraph (1)(B).

16 “(D) COVERED TRANSACTION ACCOUNT
17 DEFINED.—In this paragraph, the term ‘cov-
18 ered transaction account’ means a deposit or
19 account maintained at an insured depository in-
20 stitution—

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

23 “(ii) used predominantly for trans-
24 actions, including payroll payments, vendor
25 payments, and any other regular payments

1 made to support the work or mission of the
2 account holder; and

3 “(iii) that is non-interest bearing or
4 that pays interest materially below pre-
5 vailing market rates, as determined by the
6 Corporation.”.

7 (B) APPLICABILITY.—The amendments
8 made by this paragraph shall apply with respect
9 to a covered transaction account (as defined in
10 paragraph (6)(D) of section 11(a) of the Fed-
11 eral Deposit Insurance Act, as added by this
12 subsection) on the date of the issuance of a
13 final rule described in paragraph (4).

14 (2) CREDIT UNIONS.—

15 (A) IN GENERAL.—Section 207(k) of the
16 Federal Credit Union Act (12 U.S.C. 1787(k))
17 is amended—

18 (i) in paragraph (1)(A), by inserting
19 “and except as provided in paragraph (7)”
20 after “paragraph (2)”; and

21 (ii) by adding at the end the fol-
22 lowing:

23 “(7) EXPANDED INSURANCE COVERAGE FOR
24 BUSINESS PAYMENT ACCOUNTS.—

1 “(A) INSURANCE REQUIRED.—Notwith-
2 standing paragraph (1), the Board shall estab-
3 lish a program under which the Board shall
4 fully insure the deposits or shares in members
5 accounts of an insured credit union that are
6 covered transaction accounts in accordance with
7 subparagraph (B).

8 “(B) AMOUNT.—The Board may only pro-
9 vide insurance under subparagraph (A) in an
10 amount of the net deposits or shares up to
11 \$100,000,000 per member per insured credit
12 union.

13 “(C) EXCLUSION FROM NET AMOUNT OF
14 INSURED DEPOSITS OR SHARES.—Any amount
15 of deposits or shares insured under this para-
16 graph shall not be taken into account when
17 computing the net amount due under paragraph
18 (1)(A).

19 “(D) COVERED TRANSACTION ACCOUNT
20 DEFINED.—In this paragraph, the term ‘cov-
21 ered transaction account’ means a deposit,
22 share, or account maintained at an insured
23 credit union—

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

1 “(ii) used predominantly for trans-
2 actions, including payroll payments, vendor
3 payments, and any other regular payments
4 made to support the work or mission of the
5 account holder; and

6 “(iii) that is non-interest bearing or
7 that pays interest materially below pre-
8 vailing market rates, as determined by the
9 Board.”.

10 (B) APPLICABILITY.—The amendments
11 made by this paragraph shall apply with respect
12 to a covered transaction account (as defined in
13 section 207(k)(7)(D) of the Federal Credit
14 Union Act, as added by this subsection) on the
15 date of the issuance of a final rule described in
16 paragraph (4).

17 (3) DATA COLLECTION AND ANALYSIS.—

18 (A) IN GENERAL.—

19 (i) FDIC.—Not later than 90 days
20 after the date of the enactment of this Act,
21 the Federal Deposit Insurance Corporation
22 shall begin collecting and analyzing data
23 from insured depository institutions to es-
24 tablish requirements for the program es-
25 tablished under paragraph (6) of section

1 11(a) of the Federal Deposit Insurance
2 Act, including to determine the eligibility
3 of covered transaction accounts and the
4 amount of deposits to be insured under
5 such program, as appropriate.

6 (ii) NCUA.—Not later than 90 days
7 after the date of the enactment of this Act,
8 the National Credit Union Administration
9 Board shall begin collecting and analyzing
10 data from insured credit unions to estab-
11 lish requirements for the program estab-
12 lished under paragraph (7) of section
13 207(k) of the Federal Credit Union Act,
14 including to determine the eligibility of
15 covered transaction accounts and the
16 amount of deposits or shares to be insured
17 under such program, as appropriate.

18 (B) ELEMENTS.—In establishing the eligi-
19 bility of covered transaction accounts and the
20 amount of deposits or shares to be insured as
21 described in subparagraph (A), the Federal De-
22 posit Insurance Corporation and the National
23 Credit Union Administration Board, respec-
24 tively, shall consider the following:

1 (i) The eligibility of covered trans-
2 action accounts and the maximum insur-
3 ance amount for such deposits or shares to
4 promote safety and soundness of insured
5 depository institutions and insured credit
6 unions, as applicable.

7 (ii) The eligibility of covered trans-
8 action accounts and the maximum insur-
9 ance amount for such deposits or shares to
10 promote stability of the financial system of
11 the United States.

12 (iii) The eligibility of covered trans-
13 action accounts and the maximum insur-
14 ance amount for such deposits or shares to
15 promote a competitive depository market
16 structure that, as applicable, includes—

17 (I) minority depository institu-
18 tions (as defined in section 308 of the
19 Financial Institutions Reform, Recov-
20 ery, and Enforcement Act of 1989)
21 and minority insured credit unions;

22 (II) rural depository institutions
23 and rural insured credit unions;

24 (III) depository institutions and
25 credit unions that are community de-

1 velopment financial institutions (as
2 defined in section 103(5) of the Riegle
3 Community Development and Regu-
4 latory Improvement Act of 1994); and

5 (IV) other large, small, and me-
6 dium-sized insured depository institu-
7 tions and insured credit unions.

8 (iv) The eligibility of covered trans-
9 action accounts and the maximum insur-
10 ance amount for such deposits or shares to
11 ensure holders of covered transaction ac-
12 counts would be able to meet payment obli-
13 gations in a timely fashion, including pay-
14 roll and vendor payment obligations.

15 (v) The expected effect of assessment
16 or premium adjustments on insured depos-
17 itory institutions and insured credit
18 unions, as applicable.

19 (C) PUBLICATION.—Not later than 18
20 months after the date of the enactment of this
21 Act, the Federal Deposit Insurance Corporation
22 and the National Credit Union Administration
23 Board shall—

24 (i) make publicly available a report
25 with detailed analyses conducted under

1 this paragraph, including aggregated data;
2 and

3 (ii) make available to the Committee
4 on Financial Services of the House of Rep-
5 resentatives and Committee on Banking,
6 Housing, and Urban Affairs of the Senate
7 the data collected under this paragraph.

8 (4) RULEMAKING.—

9 (A) PROPOSED RULEMAKING.—

10 (i) IN GENERAL.—Not later than 18
11 months after the date of the enactment of
12 this Act, the Federal Deposit Insurance
13 Corporation and the National Credit Union
14 Administration Board shall each issue a
15 proposed rule to carry out the require-
16 ments of this subsection and the amend-
17 ments made by this subsection.

18 (ii) ADDITIONAL REQUIREMENTS.—
19 The Federal Deposit Insurance Corpora-
20 tion and the National Credit Union Ad-
21 ministration Board shall consult with the
22 Board of Governors of the Federal Reserve
23 System and the Comptroller of the Cur-
24 rency before issuing a proposed rule re-
25 quired under clause (i).

1 (iii) TESTIMONY.—The Chairperson of
2 the Federal Deposit Insurance Corporation
3 and the Chairman of the National Credit
4 Union Administration Board shall testify
5 before the Financial Services Committee of
6 the House of Representatives and Com-
7 mittee on Banking, Housing, and Urban
8 Affairs of the Senate, at a time determined
9 by the Chairs of those Committees that is
10 after the date on which the proposed rule
11 described in clause (i) is issued.

12 (B) FINAL RULEMAKING.—

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

21 (ii) JOINT DETERMINATIONS RE-
22 QUIRED.—Each rule described under
23 clause (i) shall contain the following, which
24 shall be jointly determined by the Federal
25 Deposit Insurance Corporation and the

1 National Credit Union Administration
2 Board:

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

6 (II) A maximum insurance
7 amount for deposits or shares held in
8 a covered transaction account that ap-
9 plies to both programs.

10 (C) FAILURE TO ISSUE A FINAL RULE.—

11 If the Federal Deposit Insurance Corporation
12 or the National Credit Union Administration
13 Board do not issue a final rule required under
14 subparagraph (B) before the deadline described
15 in that subparagraph—

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

18 (I) testify before the Committee
19 on Financial Services of the House of
20 Representatives and Committee on
21 Banking, Housing, and Urban Affairs
22 of the Senate regarding the reasons
23 why the agency has not yet issued a
24 final rule; and

1 (II) submit a report to such
2 Committees that includes—

3 (aa) an assessment of the
4 benefits and challenges posed by
5 expanding deposit or share insur-
6 ance as required, as applicable,
7 under the program established
8 under paragraph (6) of section
9 11(a) of the Federal Deposit In-
10 surance Act and the program es-
11 tablished under paragraph (7) of
12 section 207(k) of the Federal
13 Credit Union Act; and

14 (bb) any recommendations
15 for administrative or legislative
16 modifications; and

17 (ii) the Comptroller General of the
18 United State shall conduct a review of the
19 reports required under paragraph (3),
20 along with any other relevant data, and
21 submit to Congress a report on—

22 (I) the benefits and challenges
23 posed by—

24 (aa) the program established
25 under paragraph (6) of section

1 11(a) of the Federal Deposit In-
2 surance Act; and

3 (bb) the program established
4 under paragraph (7) of section
5 207(k) of the Federal Credit
6 Union Act; and

7 (II) any recommendations for
8 legislative or regulatory actions.

9 (5) EXTENSION OF DEPOSIT INSURANCE FUND
10 AND NATIONAL CREDIT UNION SHARE INSURANCE
11 FUND RESTORATION PLANS.—A Deposit Insurance
12 Fund restoration plan (as defined under section
13 7(b)(3)(E) of the Federal Deposit Insurance Act (12
14 U.S.C. 1817(b)(3)(E))) or a restoration plan for the
15 National Credit Union Share Insurance Fund (as
16 described in section 202(c)(2)(D) of the Federal
17 Credit Union Act (12 U.S.C. 1782(c)(2)(D))) in ef-
18 fect on the date of the enactment of this Act shall
19 be extended for a period of 8 years beginning on the
20 effective date of a final rule issued by the applicable
21 agency pursuant to paragraph (4).

22 (b) TEMPORARY TRANSACTION ACCOUNT GUAR-
23 ANTEE PROGRAM.—

24 (1) INSURED DEPOSITORY INSTITUTIONS.—Sec-
25 tion 13 of the Federal Deposit Insurance Act (12

1 U.S.C. 1823) is amended by adding at the end the
2 following:

3 “(1) INSURANCE OF CERTAIN UNINSURED DEPOSITS
4 TO PRESERVE FINANCIAL STABILITY.—

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

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

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

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

6 “(A) establish assessments on insured de-
7 pository institutions that participate in the Pro-
8 gram; and

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

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

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

24 “(B) the Secretary of the Treasury sub-
25 mits to Congress a report containing data and

1 analysis, including data and analysis from the
2 Board of Directors and the Board of Governors
3 of the Federal Reserve System, justifying such
4 extension.

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

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

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

1 “(9) TERMINATION.—

2 “(A) IN GENERAL.—Any implementation
3 of the Program shall terminate not later than
4 270 days after the date of implementation un-
5 less the Board of Directors (upon a vote of not
6 less than two-thirds of the members of the
7 Board of Directors) and the Board of Gov-
8 ernors of the Federal Reserve System (upon a
9 vote of not less than two-thirds of the members
10 of such Board) submits to the Secretary of the
11 Treasury a written recommendation to not ter-
12minate the program, and—

13 “(i) the Secretary of the Treasury—

14 “(I) submits to Congress a report
15 containing data and analysis to justify
16 not terminating the Program that in-
17cludes data and analysis from the
18 Board of Directors and the Board of
19 Governors of the Federal Reserve Sys-
20tem; and

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

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

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

8 (2) INSURED CREDIT UNIONS.—Section 207 of
9 the Federal Credit Union Act (12 U.S.C. 1787) is
10 amended by adding at the end the following:

11 “(s) INSURANCE OF CERTAIN UNINSURED DEPOSITS
12 TO PRESERVE FINANCIAL STABILITY.—

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

1 have serious adverse effects on financial stability or
2 economic conditions in the United States.

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

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

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

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

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

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

1 financial stability or economic conditions in the
2 United States; and

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

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

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

24 “(7) COVERED TRANSACTION ACCOUNT DE-
25 FINED.—In this subsection, the term ‘covered trans-

1 action account’ means a transaction account that is
2 non-interest bearing or that pays interest materially
3 below prevailing market rates, as determined by the
4 National Credit Union Administration Board.

5 “(8) TERMINATION.—

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

17 “(i) the Secretary of the Treasury—

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

1 “(II) requests approval from
2 Congress to extend the program for a
3 specified period of time; and

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

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

13 (3) MODIFICATION TO EXPEDITED PROCE-
14 DURES.—Section 1105(d) of the Dodd-Frank Wall
15 Street Reform and Consumer Protection Act (12
16 U.S.C. 5612(d)) is amended—

17 (A) by redesignating paragraph (4) as
18 paragraph (5); and

19 (B) by inserting after paragraph (3) the
20 following:

21 “(4) CONSIDERATION IN THE HOUSE OF REP-
22 RESENTATIVES.—Upon receipt of a request under
23 subsection (c), a joint resolution introduced in the

- 1 House of Representatives in connection with such re-
- 2 quest shall be privileged.”.

