

## HR 3717

Federal Deposit Insurance Reform Act of 2002

**Congress:** 107 (2001–2003, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Feb 12, 2002

**Current Status:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs

**Latest Action:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (May 23, 2002)

**Official Text:** <https://www.congress.gov/bill/107th-congress/house-bill/3717>

### Sponsor

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**Name:** Rep. Bachus, Spencer [R-AL-6]

**Party:** Republican • **State:** AL • **Chamber:** House

**Cosponsors** (63 total)

<b>Cosponsor</b>	<b>Party / State</b>	<b>Role</b>	<b>Date Joined</b>
Rep. Biggert, Judy [R-IL-13]	R · IL		Feb 12, 2002
Rep. Gillmor, Paul E. [R-OH-5]	R · OH		Feb 12, 2002
Rep. Hart, Melissa A. [R-PA-4]	R · PA		Feb 12, 2002
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Feb 12, 2002
Rep. King, Peter T. [R-NY-3]	R · NY		Feb 12, 2002
Rep. Leach, James A. [R-IA-1]	R · IA		Feb 12, 2002
Rep. Manzullo, Donald A. [R-IL-16]	R · IL		Feb 12, 2002
Rep. Ney, Robert W. [R-OH-18]	R · OH		Feb 12, 2002
Rep. Oxley, Michael G. [R-OH-4]	R · OH		Feb 12, 2002
Rep. Riley, Bob [R-AL-3]	R · AL		Feb 12, 2002
Rep. Roukema, Marge [R-NJ-5]	R · NJ		Feb 12, 2002
Rep. Royce, Edward R. [R-CA-39]	R · CA		Feb 12, 2002
Rep. Thune, John [R-SD-At Large]	R · SD		Feb 12, 2002
Rep. Tiberi, Patrick J. [R-OH-12]	R · OH		Feb 12, 2002
Rep. Weldon, Dave [R-FL-15]	R · FL		Feb 12, 2002
Rep. LaTourette, Steven C. [R-OH-19]	R · OH		Feb 14, 2002
Rep. Kelly, Sue W. [R-NY-19]	R · NY		Feb 26, 2002
Rep. Lucas, Ken [D-KY-4]	D · KY		Feb 26, 2002
Rep. Moran, Jerry [R-KS-1]	R · KS		Feb 26, 2002
Rep. Pickering, Charles W. "Chip" [R-MS-3]	R · MS		Feb 26, 2002
Rep. Shows, Ronnie [D-MS-4]	D · MS		Feb 26, 2002
Rep. Upton, Fred [R-MI-6]	R · MI		Feb 26, 2002
Rep. Capito, Shelley Moore [R-WV-2]	R · WV		Feb 28, 2002
Rep. Gordon, Bart [D-TN-6]	D · TN		Feb 28, 2002
Rep. Green, Mark [R-WI-8]	R · WI		Feb 28, 2002
Rep. LaHood, Ray [R-IL-18]	R · IL		Feb 28, 2002
Rep. Ryun, Jim [R-KS-2]	R · KS		Feb 28, 2002
Rep. Stenholm, Charles W. [D-TX-17]	D · TX		Feb 28, 2002
Rep. Shimkus, John [R-IL-20]	R · IL		Mar 6, 2002
Rep. Simmons, Rob [R-CT-2]	R · CT		Mar 6, 2002
Rep. Barr, Bob [R-GA-7]	R · GA		Mar 7, 2002
Rep. Boswell, Leonard L. [D-IA-3]	D · IA		Mar 7, 2002
Rep. Combest, Larry [R-TX-19]	R · TX		Mar 7, 2002
Rep. Holden, Tim [D-PA-6]	D · PA		Mar 7, 2002
Rep. Keller, Ric [R-FL-8]	R · FL		Mar 7, 2002
Rep. Udall, Mark [D-CO-2]	D · CO		Mar 7, 2002
Rep. Watson, Diane E. [D-CA-32]	D · CA		Mar 7, 2002
Rep. Bereuter, Doug [R-NE-1]	R · NE		Mar 12, 2002
Rep. Hefley, Joel [R-CO-5]	R · CO		Mar 12, 2002
Rep. Jones, Stephanie Tubbs [D-OH-11]	D · OH		Mar 12, 2002
Rep. Kingston, Jack [R-GA-1]	R · GA		Mar 12, 2002

Cosponsor	Party / State	Role	Date Joined
Rep. McClinnis, Scott [R-CO-3]	R · CO		Mar 12, 2002
Rep. Mica, John L. [R-FL-7]	R · FL		Mar 12, 2002
Rep. Nethercutt, George R., Jr. [R-WA-5]	R · WA		Mar 12, 2002
Rep. Peterson, Collin C. [D-MN-7]	D · MN		Mar 19, 2002
Rep. Pomeroy, Earl [D-ND-At Large]	D · ND		Mar 19, 2002
Rep. Ross, Mike [D-AR-4]	D · AR		Mar 19, 2002
Rep. Sanchez, Loretta [D-CA-46]	D · CA		Mar 19, 2002
Rep. Thompson, Bennie G. [D-MS-2]	D · MS		Mar 19, 2002
Rep. Baird, Brian [D-WA-3]	D · WA		Apr 10, 2002
Rep. Hill, Baron P. [D-IN-9]	D · IN		Apr 10, 2002
Rep. Bartlett, Roscoe G. [R-MD-6]	R · MD		Apr 11, 2002
Rep. Hoekstra, Peter [R-MI-2]	R · MI		Apr 16, 2002
Rep. Tancredo, Thomas G. [R-CO-6]	R · CO		Apr 16, 2002
Rep. Cramer, Robert E. (Bud), Jr. [D-AL-5]	D · AL		Apr 18, 2002
Rep. Schaffer, Bob [R-CO-4]	R · CO		Apr 23, 2002
Rep. Thornberry, Mac [R-TX-13]	R · TX		Apr 23, 2002
Rep. Osborne, Tom [R-NE-3]	R · NE		Apr 24, 2002
Rep. Gutknecht, Gil [R-MN-1]	R · MN		May 8, 2002
Rep. Graham, Lindsey [R-SC-3]	R · SC		May 15, 2002
Rep. Kind, Ron [D-WI-3]	D · WI		May 15, 2002
Rep. Aderholt, Robert B. [R-AL-4]	R · AL		May 16, 2002
Rep. DeGette, Diana [D-CO-1]	D · CO		May 16, 2002

## Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 23, 2002
Financial Services Committee	House	Reported by	Mar 7, 2002

## Subjects & Policy Tags

### Policy Area:

Finance and Financial Sector

## Related Bills

Bill	Relationship	Last Action
107 S 1945	Related bill	<b>Feb 14, 2002:</b> Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Federal Deposit Insurance Reform Act of 2002 - Amends the Federal Deposit Insurance Act (FDIA) to mandate the merger of the Bank Insurance Fund and the Savings Association Insurance Fund into the Deposit Insurance Fund (DIF).

(Sec. 3) Amends the FDIA and the Federal Credit Union Act to: (1) increase the standard maximum amount of deposit insurance coverage from \$100,000 to \$130,000, coupled with a five-year inflation adjustment index; (2) require the Federal Deposit Insurance Corporation (FDIC) to provide pass-through deposit insurance for the deposits of any employee benefit plan (but prohibiting an insured depository institution that is neither well capitalized nor adequately capitalized from accepting such deposits); (3) double the standard maximum deposit insurance for certain retirement accounts; and (4) increase the maximum amount of deposit insurance coverage for in-State municipal deposits.

(Sec. 4) Amends the FDIA to replace assessment guidelines for achieving and maintaining a designated reserve ratio and for independent treatment of deposit insurance funds with a requirement that the Board of Directors (Board) of the FDIC set assessments as it determines appropriate, including a maximum base rate for assessments at one basis point for insured depository institutions in the lowest-risk category.

Reduces from five years to three years the mandatory assessment recordkeeping period.

Increases penalties from \$100 to one percent of assessments per day for depository institution failure to make timely assessment payments.

Revises guidelines governing the risk-based assessment system to make the portion of deposits attributable to lifeline accounts subject to half the assessment rate that would otherwise be applicable.

(Sec. 5) Replaces the current 1.25 percent statutory reserve ratio used to recapitalize undercapitalized insurance funds with a reserve ratio range of 1.15 to 1.4 percent of estimated insured deposits, subject to specified factors and annual redetermination.

(Sec. 6) Directs the Board to collect information from all appropriate sources in determining risk of losses to the DIF.

(Sec. 7) Prescribes guidelines governing: (1) the payment of mandatory dividends to insured depository institutions whenever the DIF reserve ratio equals or exceeds specified percentages of the estimated insured deposits required to maintain the designated reserve ratio in effect at the time; and (2) a one-time credit predicated upon the December 31, 1996, assessment base of each eligible depository institution, as compared to the combined aggregate assessment base of all such institutions. Restricts the amount of such credit for depository institutions that exhibit financial, operational, or compliance weakness, including undercapitalization.

Requires the Board to establish an on-going system of credits to be applied against future assessments on the same basis as such dividends.

(Sec. 8) Requires the Board to establish and implement restoration plans for the DIF whenever its reserve ratio is projected to fall or actually falls below the designated reserve ratio. Prescribes requirements for such plans.

(Sec. 10) Mandates studies and reports to Congress: (1) by the Comptroller General and the FDIC on the effectiveness of the prompt corrective action program administered by Federal banking agencies and the accuracy of risk assessments made by the FDIC, and the appropriateness of FDIC organizational structure in light of its regulatory mission; (2) by the FDIC and the National Credit Union Administration on the feasibility of establishing a voluntary deposit insurance system for deposits in excess of the maximum amount of deposit insurance, and of privatizing all deposit insurance at insured

depository institutions and credit unions; (3) by the FDIC on the feasibility of using actual domestic deposits rather than estimated insured deposits in calculating the reserve ratio of the DIF and designating a DIF reserve ratio; and (4) by the FDIC on the reserve methodology and loss accounting it used between January 1, 1992, and December 31, 2002, with respect to insured depository institutions in a troubled condition.

## Actions Timeline

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- **May 23, 2002:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **May 22, 2002:** Considered as unfinished business. (consideration: CR H2860)
- **May 22, 2002:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 408 - 18 (Roll no. 190).(text: CR 5/21/2002 H2787-2794)
- **May 22, 2002:** On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 408 - 18 (Roll no. 190). (text: CR 5/21/2002 H2787-2794)
- **May 22, 2002:** Motion to reconsider laid on the table Agreed to without objection.
- **May 21, 2002:** Mr. Oxley moved to suspend the rules and pass the bill, as amended.
- **May 21, 2002:** Considered under suspension of the rules. (consideration: CR H2787-2803)
- **May 21, 2002:** DEBATE - The House proceeded with forty minutes of debate on H.R. 3717.
- **May 21, 2002:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed until May 22.
- **May 16, 2002:** Reported (Amended) by the Committee on Financial Services. H. Rept. 107-467.
- **May 16, 2002:** Reported (Amended) by the Committee on Financial Services. H. Rept. 107-467.
- **May 16, 2002:** Placed on the Union Calendar, Calendar No. 278.
- **Apr 17, 2002:** Committee Consideration and Mark-up Session Held.
- **Apr 17, 2002:** Ordered to be Reported (Amended) by the Yeas and Nays: 52 - 2.
- **Mar 7, 2002:** Subcommittee Consideration and Mark-up Session Held.
- **Mar 7, 2002:** Forwarded by Subcommittee to Full Committee (Amended) by Voice Vote.
- **Mar 1, 2002:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Feb 12, 2002:** Introduced in House
- **Feb 12, 2002:** Introduced in House
- **Feb 12, 2002:** Referred to the House Committee on Financial Services.