

HR 522

Federal Deposit Insurance Reform Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Feb 4, 2003

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

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Apr 3, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/522>

Sponsor

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

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

Cosponsors (57 total)

| Cosponsor | Party / State | Role | Date Joined |
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| Rep. Beauprez, Bob [R-CO-7] | R · CO | | Feb 4, 2003 |
| Rep. Bereuter, Doug [R-NE-1] | R · NE | | Feb 4, 2003 |
| Rep. Biggert, Judy [R-IL-13] | R · IL | | Feb 4, 2003 |
| Rep. Davis, Artur [D-AL-7] | D · AL | | Feb 4, 2003 |
| Rep. Ford, Harold E., Jr. [D-TN-9] | D · TN | | Feb 4, 2003 |
| Rep. Frank, Barney [D-MA-4] | D · MA | | Feb 4, 2003 |
| Rep. Gillmor, Paul E. [R-OH-5] | R · OH | | Feb 4, 2003 |
| Rep. Gonzalez, Charles A. [D-TX-20] | D · TX | | Feb 4, 2003 |
| Rep. Green, Mark [R-WI-8] | R · WI | | Feb 4, 2003 |
| Rep. Grijalva, Raúl M. [D-AZ-7] | D · AZ | | Feb 4, 2003 |
| Rep. Hart, Melissa A. [R-PA-4] | R · PA | | Feb 4, 2003 |
| Rep. Hinojosa, Ruben [D-TX-15] | D · TX | | Feb 4, 2003 |
| Rep. Jones, Walter B., Jr. [R-NC-3] | R · NC | | Feb 4, 2003 |
| Rep. Kanjorski, Paul E. [D-PA-11] | D · PA | | Feb 4, 2003 |
| Rep. LaTourette, Steven C. [R-OH-14] | R · OH | | Feb 4, 2003 |
| Rep. Leach, James A. [R-IA-2] | R · IA | | Feb 4, 2003 |
| Rep. Maloney, Carolyn B. [D-NY-14] | D · NY | | Feb 4, 2003 |
| Rep. McCarthy, Carolyn [D-NY-4] | D · NY | | Feb 4, 2003 |
| Rep. Miller, Gary G. [R-CA-42] | R · CA | | Feb 4, 2003 |
| Rep. Ney, Robert W. [R-OH-18] | R · OH | | Feb 4, 2003 |
| Rep. Oxley, Michael G. [R-OH-4] | R · OH | | Feb 4, 2003 |
| Rep. Renzi, Rick [R-AZ-1] | R · AZ | | Feb 4, 2003 |
| Rep. Royce, Edward R. [R-CA-40] | R · CA | | Feb 4, 2003 |
| Rep. Simmons, Rob [R-CT-2] | R · CT | | Feb 4, 2003 |
| Rep. Tiberi, Patrick J. [R-OH-12] | R · OH | | Feb 4, 2003 |
| Rep. Upton, Fred [R-MI-6] | R · MI | | Feb 4, 2003 |
| Rep. Waters, Maxine [D-CA-35] | D · CA | | Feb 4, 2003 |
| Rep. Aderholt, Robert B. [R-AL-4] | R · AL | | Feb 11, 2003 |
| Rep. Burr, Richard [R-NC-5] | R · NC | | Feb 11, 2003 |
| Rep. Cramer, Robert E. (Bud), Jr. [D-AL-5] | D · AL | | Feb 11, 2003 |
| Rep. Nethercutt, George R., Jr. [R-WA-5] | R · WA | | Feb 11, 2003 |
| Rep. Rogers, Mike D. [R-AL-3] | R · AL | | Feb 11, 2003 |
| Rep. Souder, Mark E. [R-IN-3] | R · IN | | Feb 11, 2003 |
| Rep. Udall, Mark [D-CO-2] | D · CO | | Feb 11, 2003 |
| Rep. Osborne, Tom [R-NE-3] | R · NE | | Feb 27, 2003 |
| Rep. Emanuel, Rahm [D-IL-5] | D · IL | | Mar 4, 2003 |
| Rep. Johnson, Eddie Bernice [D-TX-30] | D · TX | | Mar 4, 2003 |
| Rep. Baca, Joe [D-CA-43] | D · CA | | Mar 5, 2003 |
| Rep. Bonner, Jo [R-AL-1] | R · AL | | Mar 6, 2003 |
| Rep. King, Peter T. [R-NY-3] | R · NY | | Mar 6, 2003 |
| Rep. Bartlett, Roscoe G. [R-MD-6] | R · MD | | Mar 12, 2003 |

| Cosponsor | Party / State | Role | Date Joined |
|-------------------------------------|---------------|------|--------------|
| Rep. Capito, Shelley Moore [R-WV-2] | R · WV | | Mar 12, 2003 |
| Rep. Harris, Katherine [R-FL-13] | R · FL | | Mar 12, 2003 |
| Rep. Manzullo, Donald A. [R-IL-16] | R · IL | | Mar 12, 2003 |
| Rep. Tancredo, Thomas G. [R-CO-6] | R · CO | | Mar 12, 2003 |
| Rep. Baird, Brian [D-WA-3] | D · WA | | Mar 18, 2003 |
| Rep. Boswell, Leonard L. [D-IA-3] | D · IA | | Mar 18, 2003 |
| Rep. Everett, Terry [R-AL-2] | R · AL | | Mar 18, 2003 |
| Rep. McInnis, Scott [R-CO-3] | R · CO | | Mar 18, 2003 |
| Rep. Tiahrt, Todd [R-KS-4] | R · KS | | Mar 18, 2003 |
| Rep. Goodlatte, Bob [R-VA-6] | R · VA | | Mar 20, 2003 |
| Rep. Holden, Tim [D-PA-17] | D · PA | | Mar 20, 2003 |
| Rep. McGovern, James P. [D-MA-3] | D · MA | | Mar 20, 2003 |
| Rep. Moran, Jerry [R-KS-1] | R · KS | | Mar 20, 2003 |
| Rep. Tauzin, W. J. (Billy) [R-LA-3] | R · LA | | Mar 20, 2003 |
| Rep. Combest, Larry [R-TX-19] | R · TX | | Mar 25, 2003 |
| Rep. Weldon, Curt [R-PA-7] | R · PA | | Mar 25, 2003 |

Committee Activity

| Committee | Chamber | Activity | Date |
|---|---------|-------------|--------------|
| Banking, Housing, and Urban Affairs Committee | Senate | Referred To | Apr 3, 2003 |
| Financial Services Committee | House | Referred to | Feb 27, 2003 |

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

(This measure has not been amended since it was reported to the House on March 27, 2003. The summary of that version is repeated here.)

Federal Deposit Insurance Reform Act of 2003 - 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 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 DIF losses.

(Sec. 7) Prescribes guidelines governing: (1) the payment of mandatory dividends to insured depository institutions whenever the DIF reserve ratio 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 a DIF restoration plan 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 as well as 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 and designating the reserve ratio of the DIF; 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.

(Sec. 11) Instructs the FDIC to conduct a bi-annual survey and report to Congress on efforts by insured depository institutions to bring into the conventional finance system those individuals and families who have rarely, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution.

(Sec. 12) Authorizes the FDIC to borrow from the Federal home loan banks, with the concurrence of the Federal Housing Finance Board, such funds as it considers necessary for DIF use.

(Sec. 13) Amends specified Federal statutes to make technical and conforming amendments relating to the merger of the BIF and SAIF.

Actions Timeline

- **Apr 3, 2003:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Apr 2, 2003:** Consideration initiated by previous order of the House.
- **Apr 2, 2003:** Considered by previous order of the House. (consideration: CR H2603-2625)
- **Apr 2, 2003:** The House resolved into Committee of the Whole on the state of the Union pursuant to a previous special order.
- **Apr 2, 2003:** The Speaker designated the Honorable Ray LaHood to act as Chairman of the Committee.
- **Apr 2, 2003:** GENERAL DEBATE - Pursuant to a previous order of the House, the Committee of the Whole proceeded with one hour of debate on H.R. 522.
- **Apr 2, 2003:** DEBATE - Pursuant to a previous order, the Committee of the Whole proceeded with 20 minutes of debate on the Ose amendment.
- **Apr 2, 2003:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 522.
- **Apr 2, 2003:** The previous question was ordered pursuant to a previous order of the House.
- **Apr 2, 2003:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 411 - 11 (Roll no. 98).
- **Apr 2, 2003:** On passage Passed by the Yeas and Nays: 411 - 11 (Roll no. 98).
- **Apr 2, 2003:** Motion to reconsider laid on the table Agreed to without objection.
- **Mar 27, 2003:** Reported (Amended) by the Committee on Financial Services. H. Rept. 108-50.
- **Mar 27, 2003:** Reported (Amended) by the Committee on Financial Services. H. Rept. 108-50.
- **Mar 27, 2003:** Placed on the Union Calendar, Calendar No. 31.
- **Mar 13, 2003:** Committee Consideration and Mark-up Session Held.
- **Mar 13, 2003:** Ordered to be Reported (Amended) by Voice Vote.
- **Mar 4, 2003:** Committee Hearings Held.
- **Feb 27, 2003:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Feb 4, 2003:** Introduced in House
- **Feb 4, 2003:** Introduced in House
- **Feb 4, 2003:** Referred to the House Committee on Financial Services.