[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. ____

To require the Federal Deposit Insurance Corporation and the National Credit Union Administration to carry out an analysis to determine whether insurance coverage should be raised on covered transaction accounts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__. ____________ introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To require the Federal Deposit Insurance Corporation and the National Credit Union Administration to carry out an analysis to determine whether insurance coverage should be raised on covered transaction accounts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "❲To be added❳ Act of 2025".

SEC. 2. STUDY OF INSURANCE OF COVERED TRANSACTION ACCOUNTS.

(a) INSURED DEPOSITORY INSTITUTIONS.—Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) is amended by adding at the end the following:

"(6) STUDY OF INSURANCE OF COVERED TRANSACTION ACCOUNTS.—

"(A) ANALYSES.—The Board of Directors shall—

"(i) collect data and carry out an analysis of covered transaction accounts to determine the extent to which a higher standard maximum deposit insurance amount should apply to such accounts;

"(ii) conduct an economic analysis of the impact on the banking system of a higher standard maximum deposit insurance amount for covered transaction accounts;

"(iii) determine the defining characteristics of covered transactions accounts and determine methods to prevent and reduce incentives of insured depository institutions and depositors to mischaracterize other types of deposit accounts as covered transaction accounts in order to obtain higher deposit insurance coverage;

"(iv) conduct an analysis of the distributional impact of higher deposit insurance assessments for covered transaction accounts on small, medium, and large insured depository institutions;

"(v) conduct an analysis of the expected impact on the safety and soundness of insured depository institutions with account holders of covered transaction accounts;

"(vi) the effect on competition in the U.S. banking sector of any increase in the standard maximum deposit insurance amount for covered transaction accounts; and

"(vii) make the data and analyses described in clauses (i) through (vi) available to the public.

"(B) DEFINITIONS.—In this paragraph:

"(i) COVERED TRANSACTION ACCOUNT.—The term 'covered transaction account' means a transaction account maintained at an insured depository institution—

"(I) by a business, non-profit, municipality, or similar organization; and

"(II) that—

"(aa) is non-interest bearing; or

"(bb) pays a de minimis amount of interest, as established by the Corporation.

"(ii) TRANSACTION ACCOUNT.—The term 'transaction account' means a deposit or account from which the depositor or account holder is permitted to make transfers or withdrawals by negotiable or transferable instrument, payment order of withdrawal, telephone transfer, or other similar device for the purpose of making payments or transfers to third persons or others or from which the depositor or account holder may make third party payments at an automated teller machine or a remote service unit, or other electronic device, including by debit card, and includes such other deposits or accounts maintained at an insured depository institution that the Corporation may determine consistent with this definition.''.

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

''(7) STUDY OF INSURANCE OF COVERED TRANSACTION ACCOUNTS.—

''(A) ANALYSES.—The Board shall—

''(i) collect data and carry out an analysis of covered transaction accounts to determine the extent to which a higher standard maximum share insurance amount should apply to such accounts;

''(ii) conduct an economic analysis of the impact on the credit union system of a higher standard maximum share insurance amount for covered transaction accounts;

''(iii) determine the defining characteristics of covered transaction accounts and determine methods to prevent and reduce incentives of insured credit unions and credit union members to mischaracterize other types of deposit or share accounts as covered transaction accounts in order to obtain higher share insurance coverage;

"(iv) conduct an analysis of the distributional impact of higher share insurance assessments for covered transaction accounts on small, medium, and large insured credit unions;

"(v) conduct an analysis of the expected impact on the safety and soundness of insured credit unions with account holders of covered transaction accounts;

"(vi) the effect on competition in the U.S. credit union sector of any increase in the standard maximum share insurance amount for covered transaction accounts; and

"(vii) make the data and analyses described in clauses (i) through (vi) available to the public.

"(B) DEFINITIONS.—In this paragraph:

"(i) COVERED TRANSACTION ACCOUNT.—The term 'covered transaction account' means a transaction account maintained at an insured credit union—

"(I) by a business, non-profit, municipality, or similar organization; and

"(II) that—

"(aa) does not pay a dividend; or

"(bb) pays a de minimis dividend, as established by the Board.

"(ii) TRANSACTION ACCOUNT.—The term 'transaction account' means a deposit, share, or account from which the depositor or account holder is permitted to make transfers or withdrawals by negotiable or transferable instrument, payment order of withdrawal, telephone transfer, or other similar device for the purpose of making payments or transfers to third persons or others or from which the depositor or account holder may make third party payments at an automated teller machine or a remote service unit, or other electronic device, including by debit card, and includes such other deposits or accounts maintained at an insured credit union that the Board may determine consistent with this definition.''.