

[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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “**[To be added]** Act
5 of 2025”.

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

3 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
4 11(a) of the Federal Deposit Insurance Act (12 U.S.C.
5 1821(a)) is amended by adding at the end the following:

6 “(6) STUDY OF INSURANCE OF COVERED
7 TRANSACTION ACCOUNTS.—

8 “(A) ANALYSES.—The Board of Directors
9 shall—

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

15 “(ii) conduct an economic analysis of
16 the impact on the banking system of a
17 higher standard maximum deposit insur-
18 ance amount for covered transaction ac-
19 counts;

20 “(iii) determine the defining charac-
21 teristics of covered transactions accounts
22 and determine methods to prevent and re-
23 duce incentives of insured depository insti-
24 tutions and depositors to mischaracterize
25 other types of deposit accounts as covered

1 transaction accounts in order to obtain
2 higher deposit insurance coverage;

3 “(iv) conduct an analysis of the dis-
4 tributional impact of higher deposit insur-
5 ance assessments for covered transaction
6 accounts on small, medium, and large in-
7 sured depository institutions;

8 “(v) conduct an analysis of the ex-
9 pected impact on the safety and soundness
10 of insured depository institutions with ac-
11 count holders of covered transaction ac-
12 counts;

13 “(vi) the effect on competition in the
14 U.S. banking sector of any increase in the
15 standard maximum deposit insurance
16 amount for covered transaction accounts;
17 and

18 “(vii) make the data and analyses de-
19 scribed in clauses (i) through (vi) available
20 to the public.

21 “(B) DEFINITIONS.—In this paragraph:

22 “(i) COVERED TRANSACTION AC-
23 COUNT.—The term ‘covered transaction
24 account’ means a transaction account

1 maintained at an insured depository insti-
2 tution—

3 “(I) by a business, non-profit,
4 municipality, or similar organization;
5 and

6 “(II) that—

7 “(aa) is non-interest bear-
8 ing; or

9 “(bb) pays a de minimis
10 amount of interest, as established
11 by the Corporation.

12 “(ii) TRANSACTION ACCOUNT.—The
13 term ‘transaction account’ means a deposit
14 or account from which the depositor or ac-
15 count holder is permitted to make trans-
16 fers or withdrawals by negotiable or trans-
17 ferable instrument, payment order of with-
18 drawal, telephone transfer, or other similar
19 device for the purpose of making payments
20 or transfers to third persons or others or
21 from which the depositor or account holder
22 may make third party payments at an
23 automated teller machine or a remote serv-
24 ice unit, or other electronic device, includ-
25 ing by debit card, and includes such other

1 deposits or accounts maintained at an in-
2 sured depository institution that the Cor-
3 poration may determine consistent with
4 this definition.”.

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

8 “(7) STUDY OF INSURANCE OF COVERED
9 TRANSACTION ACCOUNTS.—

10 “(A) ANALYSES.—The Board shall—

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

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

20 “(iii) determine the defining charac-
21 teristics of covered transaction accounts
22 and determine methods to prevent and re-
23 duce incentives of insured credit unions
24 and credit union members to
25 mischaracterize other types of deposit or

1 share accounts as covered transaction ac-
2 counts in order to obtain higher share in-
3 surance coverage;

4 “(iv) conduct an analysis of the dis-
5 tributional impact of higher share insur-
6 ance assessments for covered transaction
7 accounts on small, medium, and large in-
8 sured credit unions;

9 “(v) conduct an analysis of the ex-
10 pected impact on the safety and soundness
11 of insured credit unions with account hold-
12 ers of covered transaction accounts;

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

18 “(vii) make the data and analyses de-
19 scribed in clauses (i) through (vi) available
20 to the public.

21 “(B) DEFINITIONS.—In this paragraph:

22 “(i) COVERED TRANSACTION AC-
23 COUNT.—The term ‘covered transaction
24 account’ means a transaction account
25 maintained at an insured credit union—

1 “(I) by a business, non-profit,
2 municipality, or similar organization;
3 and

4 “(II) that—

5 “(aa) does not pay a divi-
6 dend; or

7 “(bb) pays a de minimis div-
8 idend, as established by the
9 Board.

10 “(ii) TRANSACTION ACCOUNT.—The
11 term ‘transaction account’ means a de-
12 posit, share, or account from which the de-
13 positor or account holder is permitted to
14 make transfers or withdrawals by nego-
15 tiable or transferable instrument, payment
16 order of withdrawal, telephone transfer, or
17 other similar device for the purpose of
18 making payments or transfers to third per-
19 sons or others or from which the depositor
20 or account holder may make third party
21 payments at an automated teller machine
22 or a remote service unit, or other electronic
23 device, including by debit card, and in-
24 cludes such other deposits or accounts
25 maintained at an insured credit union that

1 the Board may determine consistent with
2 this definition.”.