

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To authorize the Federal Deposit Insurance Corporation and the National Credit Union Administration to establish emergency transaction account guarantee programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To authorize the Federal Deposit Insurance Corporation and the National Credit Union Administration to establish emergency transaction account guarantee programs, 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. EMERGENCY TAG PROGRAM AUTHORITY.**

2 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
3 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823)
4 is amended by adding at the end the following:

5 “(1) EMERGENCY TAG PROGRAM AUTHORITY.—

6 “(1) IN GENERAL.—After a determination by
7 the Secretary of the Treasury under paragraph (2),
8 and subject to the limits in paragraph (3), the
9 Board of Directors may establish an emergency
10 transaction account guarantee program under which
11 the Corporation fully insures the deposits of all in-
12 sured depository institutions that are maintained in
13 non-interest-bearing transaction accounts.

14 “(2) BANKING STRESS EVENT DETERMINA-
15 TION.—The Board of Directors may establish a pro-
16 gram under paragraph (1) only if the Secretary of
17 the Treasury, in consultation with the President and
18 upon the recommendation of both the Board of Di-
19 rectors (upon a vote of not fewer than $\frac{2}{3}$ of the
20 members of the Board of Directors then serving)
21 and the Board of Governors of the Federal Reserve
22 System (upon a vote of not fewer than $\frac{2}{3}$ of the
23 members of the Board of Governors of the Federal
24 Reserve System then serving), determines that—

25 “(A) a banking stress event exists that
26 presents serious adverse effects on economic

1 conditions or the stability of the banking sys-
2 tem; and

3 “(B) use of the program authorized under
4 this subsection would avoid or mitigate such ad-
5 verse effects.

6 “(3) PROGRAM LIMITATIONS.—

7 “(A) LIMITATION ON SIZE.—

8 “(i) IN GENERAL.—Before the Cor-
9 poration insures any deposits pursuant to
10 a program established under paragraph
11 (1), the Secretary of the Treasury shall, in
12 consultation with the President, determine
13 the maximum amount of costs that the De-
14 posit Insurance Fund may incur under the
15 program.

16 “(ii) INCREASE.—Notwithstanding
17 clause (i), the maximum amount of costs
18 for a program established under paragraph
19 (1) may be increased, if—

20 “(I) such increase is approved in
21 the same manner as a program estab-
22 lished under paragraph (1); and

23 “(II) the Secretary of the Treas-
24 ury issues a report to the Congress
25 containing data and analysis from the

1 Board of Governors of the Federal
2 Reserve System and the Corporation
3 justifying the increase.

4 “(B) LIMITATION ON DURATION.—

5 “(i) IN GENERAL.—The Corporation
6 shall terminate each program established
7 under paragraph (1) no later than the date
8 that is 6 months after the date of com-
9 mencement of the program.

10 “(ii) EXTENSION.—Notwithstanding
11 clause (i), the termination date for a pro-
12 gram established under paragraph (1) may
13 be extended one time for an additional 3-
14 month period, if—

15 “(I) such extension is approved
16 in the same manner as a program es-
17 tablished under paragraph (1); and

18 “(II) the Secretary of the Treas-
19 ury issues a report to the Congress
20 containing data and analysis from the
21 Board of Governors of the Federal
22 Reserve System and the Corporation
23 justifying the extension.

24 “(4) TESTIMONY TO CONGRESS.—Not later
25 than 30 days after a program is established under

1 paragraph (1), the Secretary of the Treasury, the
2 Chairman of the Board of Governors of the Federal
3 Reserve System, and the Chairperson of the Board
4 of Directors shall testify before the Committee on
5 Financial Services of the House of Representatives
6 and the Committee on Banking, Housing, and
7 Urban Affairs with respect to the program.

8 “(5) GAO REVIEW.—Not later than 90 days
9 after the termination of a program established under
10 paragraph (1), the Comptroller General of the
11 United States shall review the program and issue a
12 report to the Committee on Financial Services of the
13 House of Representatives and the Committee on
14 Banking, Housing, and Urban Affairs containing all
15 findings and determinations made in carrying out
16 such review.

17 “(6) REPAYMENT OF LOSS.—

18 “(A) IN GENERAL.—The Corporation shall
19 recover any loss to the Deposit Insurance Fund
20 arising from any program established under
21 paragraph (1) from 1 or more special assess-
22 ments on insured depository institutions, depos-
23 itory institution holding companies (except that
24 a special assessment on a depository institution
25 holding company shall require the concurrence

1 of the Secretary of the Treasury), or both, as
2 the Corporation determines to be appropriate.

3 “(B) RULE OF APPLICATION.—For pur-
4 poses of this paragraph, sections 7(c)(2) and
5 18(h) shall apply to depository institution hold-
6 ing companies as if they were insured deposi-
7 tory institutions.

8 “(7) RULEMAKING.—The Corporation may
9 issue such rules as the Corporation determines to be
10 appropriate to carry out the provisions of this sub-
11 section.

12 “(8) DEFINITIONS.—In this subsection:

13 “(A) BANKING STRESS EVENT.—The term
14 ‘banking stress event’ means an exceptional and
15 broad reduction in the stability of deposits at
16 insured depository institutions.

17 “(B) NON-INTEREST-BEARING TRANS-
18 ACTION ACCOUNT.—The term ‘non-interest-
19 bearing transaction account’ means a trans-
20 action account that—

21 “(i) is non-interest bearing; or

22 “(ii) pays a de minimis amount of in-
23 terest, as established by the Corporation.

24 “(C) TRANSACTION ACCOUNT.—The term
25 ‘transaction account’ means a deposit or ac-

1 count from which the depositor or account hold-
2 er is permitted to make transfers or with-
3 drawals by negotiable or transferable instru-
4 ment, payment order of withdrawal, telephone
5 transfer, or other similar device for the purpose
6 of making payments or transfers to third per-
7 sons or others or from which the depositor or
8 account holder may make third party payments
9 at an automated teller machine or a remote
10 service unit, or other electronic device, including
11 by debit card, and includes such other deposits
12 or accounts maintained at an insured depository
13 institution that the Corporation may determine
14 consistent with this definition.”.

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

18 “(7) EMERGENCY TAG PROGRAM AUTHORITY.—

19 “(A) IN GENERAL.—After a determination
20 by the Secretary of the Treasury under sub-
21 paragraph (B), and subject to the limits in sub-
22 paragraph (C), the Board may establish an
23 emergency transaction account guarantee pro-
24 gram under which the Administration fully in-
25 sures the deposits and shares of all insured

1 credit unions that are maintained in non-inter-
2 est-bearing transaction accounts.

3 “(B) CREDIT UNION STRESS EVENT DE-
4 TERMINATION.—The Board may establish a
5 program under subparagraph (A) only if the
6 Secretary of the Treasury, in consultation with
7 the President and upon the recommendation of
8 both the Board (upon a vote of not fewer than
9 $\frac{2}{3}$ of the members of the Board then serving)
10 and the Board of Governors of the Federal Re-
11 serve System (upon a vote of not fewer than $\frac{2}{3}$
12 of the members of the Board of Governors of
13 the Federal Reserve System then serving), de-
14 termines that—

15 “(i) a credit union stress event exists
16 that presents serious adverse effects on
17 economic conditions or the stability of the
18 credit union system; and

19 “(ii) use of the program authorized
20 under this subsection would avoid or miti-
21 gate such adverse effects.

22 “(C) PROGRAM LIMITATIONS.—

23 “(i) LIMITATION ON SIZE.—

24 “(I) IN GENERAL.—Before the
25 Board insures any deposits or shares

1 pursuant to a program established
2 under subparagraph (A), the Sec-
3 retary of the Treasury shall, in con-
4 sultation with the President, deter-
5 mine the maximum amount of costs
6 that the National Credit Union Share
7 Insurance Fund may incur under the
8 program.

9 “(II) INCREASE.—Notwith-
10 standing subclause (I), the maximum
11 amount of costs for a program estab-
12 lished under subparagraph (A) may
13 be increased, if—

14 “(aa) such increase is ap-
15 proved in the same manner as a
16 program established under sub-
17 paragraph (A); and

18 “(bb) the Secretary of the
19 Treasury issues a report to the
20 Congress containing data and
21 analysis from the Board of Gov-
22 ernors of the Federal Reserve
23 System and the Board justifying
24 the increase.

25 “(ii) LIMITATION ON DURATION.—

1 “(I) IN GENERAL.—The Board
2 shall terminate each program the
3 Board establishes under subparagraph
4 (A) no later than the date that is 6
5 months after the date of commence-
6 ment of the program.

7 “(II) EXTENSION.—Notwith-
8 standing subclause (I), the termi-
9 nation date for a program established
10 under subparagraph (A) may be ex-
11 tended one time for an additional 3-
12 month period, if—

13 “(aa) such extension is ap-
14 proved in the same manner as a
15 program established under sub-
16 paragraph (A); and

17 “(bb) the Secretary of the
18 Treasury issues a report to the
19 Congress containing data and
20 analysis from the Board of Gov-
21 ernors of the Federal Reserve
22 System and the Board justifying
23 the extension.

24 “(D) TESTIMONY TO CONGRESS.—Not
25 later than 30 days after a program is estab-

1 lished under subparagraph (A), the Secretary of
2 the Treasury, the Chairman of the Board of
3 Governors of the Federal Reserve System, and
4 the Chairman of the Board shall testify before
5 the Committee on Financial Services of the
6 House of Representatives and the Committee
7 on Banking, Housing, and Urban Affairs with
8 respect to the program.

9 “(E) GAO REVIEW.—Not later than 90
10 days after the termination of a program estab-
11 lished under subparagraph (A), the Comptroller
12 General of the United States shall review the
13 program and issue a report to the Committee
14 on Financial Services of the House of Rep-
15 resentatives and the Committee on Banking,
16 Housing, and Urban Affairs containing all find-
17 ings and determinations made in carrying out
18 such review.

19 “(F) REPAYMENT OF LOSS.—The Board
20 shall recover any loss to the National Credit
21 Union Share Insurance Fund arising from any
22 program established under subparagraph (A)
23 from 1 or more special assessments on insured
24 credit unions.

1 “(G) RULEMAKING.—The Board may issue
2 such rules as the Board determines to be appro-
3 priate to carry out the provisions of this sub-
4 section.

5 “(H) DEFINITIONS.—In this paragraph:

6 “(i) CREDIT UNION STRESS EVENT.—
7 The term ‘credit union stress event’ means
8 an exceptional and broad reduction in the
9 stability of shares and deposits at insured
10 credit unions.

11 “(ii) NON-INTEREST-BEARING TRANS-
12 ACTION ACCOUNT.—The term ‘non-inter-
13 est-bearing transaction account’ means a
14 transaction account that—

15 “(I) does not pay a dividend; or

16 “(II) pays a de minimis dividend,
17 as established by the Board.

18 “(iii) TRANSACTION ACCOUNT.—The
19 term ‘transaction account’ means a de-
20 posit, share, or account from which the de-
21 positor or account holder is permitted to
22 make transfers or withdrawals by nego-
23 tiable or transferable instrument, payment
24 order of withdrawal, telephone transfer, or
25 other similar device for the purpose of

1 making payments or transfers to third per-
2 sons or others or from which the depositor
3 or account holder may make third party
4 payments at an automated teller machine
5 or a remote service unit, or other electronic
6 device, including by debit card, and in-
7 cludes such other deposits or accounts
8 maintained at an insured credit union that
9 the Board may determine consistent with
10 this definition.”.