

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide insurance for transaction accounts.

IN THE SENATE OF THE UNITED STATES—119th Cong., 1st Sess.

S. 2296

To authorize appropriations for fiscal year 2026 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. HAGERTY (for
himself and Ms. ALSOBROOKS)

Viz:

1 At the appropriate place, insert the following:

2 **SEC. _____. TRANSACTION ACCOUNT INSURANCE.**

3 (a) DEPOSITORY INSTITUTIONS.—

4 (1) IN GENERAL.—Section 11(a)(1) of the Fed-

5 eral Deposit Insurance Act (12 U.S.C. 1821(a)(1))

6 is amended—

7 (A) in subparagraph (B)—

8 (i) by striking “The net amount” and

9 inserting the following:

1 “(i) IN GENERAL.—Subject to clause
2 (ii), the net amount”; and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(ii) INSURANCE FOR NONINTEREST-
6 BEARING TRANSACTION ACCOUNTS.—

7 “(I) IN GENERAL.—Notwith-
8 standing clause (i), the Corporation
9 shall insure the net amount, in an
10 amount that is not more than
11 \$20,000,000, that any depositor
12 maintains, in the aggregate, in 1 or
13 more noninterest-bearing transaction
14 accounts at—

15 “(aa) an insured depository
16 institution that is a subsidiary of
17 a depository institution holding
18 company that has total assets of
19 less than \$250,000,000,000; or

20 “(bb) an insured depository
21 institution that has total assets
22 of less than \$250,000,000,000 if
23 the insured depository institution
24 is not a subsidiary of a deposi-
25 tory institution holding company.

1 “(II) EXCLUSION.—The amount
2 described in subclause (II) shall not
3 be taken into account when computing
4 the net amount due to a depositor de-
5 scribed in that subclause under clause
6 (i).”.

7 (2) TECHNICAL AND CONFORMING AMEND-
8 MENT.—Section 3(m) of the Federal Deposit Insur-
9 ance Act (12 U.S.C. 1813(m)) is amended—

10 (A) in paragraph (1), by inserting “, in-
11 cluding deposits in a noninterest-bearing trans-
12 action account,” after “deposits”; and

13 (B) by adding at the end the following:

14 “(5) NONINTEREST-BEARING TRANSACTION AC-
15 COUNT.—The term ‘noninterest-bearing transaction
16 account’ means a deposit or account maintained at
17 an insured depository institution—

18 “(A) with respect to which interest is nei-
19 ther accrued nor paid;

20 “(B) on which the depositor or account
21 holder is permitted to make withdrawals by ne-
22 gotiable or transferable instrument, payment
23 orders of withdrawal, telephone or other elec-
24 tronic media transfers, or other similar items

1 for the purpose of making payments or trans-
2 fers to third parties or others; and

3 “(C) on which the insured depository insti-
4 tution does not reserve the right to require ad-
5 vance notice of an intended withdrawal.”.

6 (b) CREDIT UNIONS.—

7 (1) IN GENERAL.—Section 207(k)(1)(A) of the
8 Federal Credit Union Act (12 U.S.C.
9 1787(k)(1)(A)) is amended—

10 (A) by striking “Subject to the provisions
11 of paragraph (2), the net amount” and insert-
12 ing the following:

13 “(i) NET AMOUNT OF INSURANCE
14 PAYABLE.—Subject to clause (ii) and the
15 provisions of paragraph (2), the net
16 amount”; and

17 (B) by adding at the end the following:

18 “(ii) INSURANCE FOR NONINTEREST-
19 BEARING TRANSACTION ACCOUNTS.—

20 “(I) IN GENERAL.—Notwith-
21 standing clause (i), the Board shall
22 insure the net amount, in an amount
23 that is not more than \$20,000,000,
24 that any member, or any person with
25 funds lawfully held in a member ac-

1 count, maintains, in the aggregate, in
2 1 or more noninterest-bearing trans-
3 action accounts at—

4 “(aa) an insured credit
5 union that is a subsidiary of a
6 credit union holding company
7 that has total assets of less than
8 \$250,000,000,000; or

9 “(bb) an insured credit
10 union that has total assets of less
11 than \$250,000,000,000 if the in-
12 sured credit union is not a sub-
13 sidiary of a credit union holding
14 company.

15 “(II) EXCLUSION.—The amount
16 described in subclause (I) shall not be
17 taken into account when computing
18 the net amount due to a member de-
19 scribed in that subclause under clause
20 (i).”.

21 (2) TECHNICAL AND CONFORMING AMEND-
22 MENTS.—Section 101 of the Federal Credit Union
23 Act (12 U.S.C. 1752) is amended—

24 (A) in paragraph (8), by striking “and” at
25 the end;

1 (B) in paragraph (9), by striking the pe-
2 riod at the end and inserting a semicolon; and

3 (C) by adding at the end the following:

4 “(10) The term ‘insured deposit’ includes de-
5 posit in a noninterest-bearing transaction account;
6 and

7 “(11) The term ‘noninterest-bearing transaction
8 account’ means a deposit or account maintained at
9 an insured credit union—

10 “(A) with respect to which interest is nei-
11 ther accrued nor paid;

12 “(B) on which the member or account
13 holder is permitted to make withdrawals by ne-
14 gotiable or transferable instrument, payment
15 orders of withdrawal, telephone or other elec-
16 tronic media transfers, or other similar items
17 for the purpose of making payments or trans-
18 fers to third parties or others; and

19 “(C) on which the insured credit union
20 does not reserve the right to require advance
21 notice of an intended withdrawal.”.

22 (c) TRANSITION PERIOD.—

23 (1) DEPOSITORY INSTITUTIONS.—

24 (A) IN GENERAL.—Notwithstanding any
25 other provision of law, insured deposits in non-

1 interest-bearing transaction accounts, as de-
2 fined in clause (ii) of section 11(a)(1)(B) of the
3 Federal Deposit Insurance Act (12 U.S.C.
4 1821(a)(1)(B)), as added by subsection (a)(1)
5 of this section, shall be included in the deter-
6 mination of the value of the estimated insured
7 deposits described in section 7(b)(3)(B) of the
8 Federal Deposit Insurance Act (12 U.S.C.
9 1817(b)(3)(B)) in accordance with the plan re-
10 quired under subparagraph (B).

11 (B) PLAN.—Not later than 1 year after
12 the date of enactment of this Act, the Federal
13 Deposit Insurance Corporation shall publish in
14 the Federal Register a plan for gradually in-
15 cluding, during the period ending on the date
16 that is 10 years after the date of enactment of
17 this Act, the insured deposits described in sub-
18 paragraph (A) in the determination described in
19 that subparagraph.

20 (2) CREDIT UNIONS.—

21 (A) IN GENERAL.—Notwithstanding any
22 other provision of law, insured deposits in non-
23 interest-bearing transaction accounts, as de-
24 fined in clause (ii) of section 207(k)(1) of the
25 Federal Credit Union Act (12 U.S.C.

1 1787(k)(1)), as added by subsection (b)(1) of
2 this subsection, shall be included in the deter-
3 mination of the value of the aggregate amount
4 of the insured shares described in paragraphs
5 (1)(B) and (2)(B) of section 202(h) of the Fed-
6 eral Credit Union Act (12 U.S.C. 1782(h)) in
7 accordance with the plan required under sub-
8 paragraph (B).

9 (B) PLAN.—Not later than 1 year after
10 the date of enactment of this Act, the National
11 Credit Union Administration Board shall pub-
12 lish in the Federal Register a plan for gradually
13 including, during the period ending on the date
14 that is 10 years after the date of enactment of
15 this Act, the insured deposits described in sub-
16 paragraph (A) in the determination described in
17 that subparagraph.

18 (d) REGULATIONS.—The Federal Deposit Insurance
19 Corporation and the National Credit Union Administra-
20 tion Board shall promulgate regulations carrying out the
21 amendments made by this section, including prohibiting
22 insured depository institutions, as defined in section 3 of
23 the Federal Deposit Insurance Act (12 U.S.C. 1813), in-
24 sured credit unions, as defined in section 101 of the Fed-
25 eral Credit Union Act (12 U.S.C. 1752), and third parties,

1 as applicable, from bypassing the limitation of insurance
2 established under those amendments to—

3 (1) only noninterest-bearing transaction ac-
4 counts; and

5 (2) only deposits or accounts at insured deposi-
6 tory institutions that are subsidiaries of depository
7 institution holding companies that have total assets
8 of less than \$250,000,000,000 (or insured deposi-
9 tory institutions that have total assets of less than
10 \$250,000,000,000 if the insured depository institu-
11 tions are not subsidiaries of depository institution
12 holding companies).