

117TH CONGRESS
1ST SESSION

S. 229

To amend the Federal Deposit Insurance Act to permit the Federal Deposit Insurance Corporation to terminate the insured status of a depository institution that refuses to provide services to certain Federal contractors, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 2021

Mr. RUBIO (for himself, Mrs. BLACKBURN, Mr. CRAMER, Mr. COTTON, and Mr. CRUZ) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Federal Deposit Insurance Act to permit the Federal Deposit Insurance Corporation to terminate the insured status of a depository institution that refuses to provide services to certain Federal contractors, 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 “Financial Defense for
5 Industrial Contractors Act” or the “FDIC Act”.

1 **SEC. 2. TERMINATION OF INSURANCE.**

2 Section 8 of the Federal Deposit Insurance Act (12
3 U.S.C. 1818) is amended—

4 (1) in subsection (a)(3), by inserting “or (x)”
5 after “subsection (w)”; and

6 (2) by adding at the end the following:

7 “(x) **TERMINATION OF INSURANCE RELATING TO**
8 **DENIAL OF SERVICES TO FEDERAL CONTRACTORS.—**

9 “(1) **DEFINITIONS.—**In this subsection—

10 “(A) the term ‘contractor’ means an entity
11 that—

12 “(i) is a party to a contract with the
13 Federal Government;

14 “(ii) has complied with all applicable
15 laws and regulations in fulfilling the re-
16 sponsibilities of the entity with respect to
17 the contract described in clause (i); and

18 “(iii) satisfies traditional underwriting
19 and credit standards with respect to the
20 banking service sought by the entity under
21 paragraph (2); and

22 “(B) the term ‘covered institution’ means
23 an insured depository institution that has more
24 than \$50,000,000,000 in total consolidated as-
25 sets.

1 “(2) NOTICE OF TERMINATION;
 2 PRETERMINATION HEARING.—If a covered institu-
 3 tion refuses to provide a banking service sought by
 4 a contractor, the Board of Directors shall—

5 “(A) issue to the insured depository insti-
 6 tution a notice of its intention to terminate the
 7 insured status of the insured depository institu-
 8 tion; and

9 “(B) schedule a hearing on the matter,
 10 which shall be conducted in all respects as a
 11 termination hearing pursuant to paragraphs (3)
 12 through (5) of subsection (a).

13 “(3) TEMPORARY INSURANCE OF PREVIOUSLY
 14 INSURED DEPOSITS.—Upon termination of the in-
 15 sured status of any depository institution pursuant
 16 to paragraph (2), the deposits of such depository in-
 17 stitution shall be treated in accordance with sub-
 18 section (a)(7).”.

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