

118TH CONGRESS
1ST SESSION

S. 2403

To amend the Federal Deposit Insurance Act to provide for the insurance of transaction accounts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2023

Mr. VANCE 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 provide for the insurance of 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 “Payroll Account Guar-
5 antee Act of 2023”.

6 **SEC. 2. INSURANCE OF TRANSACTION ACCOUNTS.**

7 (a) BANKS AND SAVINGS ASSOCIATIONS.—Section
8 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C.
9 1821(a)(1)) is amended—

10 (1) in subparagraph (B)—

(A) by striking “The net amount” and inserting the following:

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

(B) by adding at the end the following new clauses:

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

“(I) DEFINITION.—For purposes of this subparagraph, the term ‘non-interest-bearing transaction account’ means a deposit or account maintained at an insured depository institution—

“(aa) with respect to which interest is neither accrued nor paid;

“(bb) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making pay-

1 ments or transfers to third par-
2 ties or others; and

3 “(cc) on which the insured
4 depository institution does not re-
5 serve the right to require advance
6 notice of an intended withdrawal.

7 “(II) INSURANCE.—Notwith-
8 standing clause (i), the Corporation
9 shall fully insure the net amount that
10 any depositor at an insured depository
11 institution with less than
12 \$225,000,000,000 in assets maintains
13 in a noninterest-bearing transaction
14 account. Such amount shall not be
15 taken into account when computing
16 the net amount due to such depositor
17 under clause (i).

18 “(III) NO FEES.—No fee may be
19 levied on an insured depository insti-
20 tution for the insurance under this
21 clause.”.

22 (2) in subparagraph (C), by striking “subpara-
23 graph (B)” and inserting “subparagraph (B)(i)”.

1 (b) CREDIT UNIONS.—Section 207(k)(1) of the Fed-
 2 eral Credit Union Act (12 U.S.C. 1787(k)(1)) is amend-
 3 ed—

4 (1) in subparagraph (A)—

5 (A) by striking “Subject to the provisions
 6 of paragraph (2), the net amount” and insert-
 7 ing the following:

8 “(i) NET AMOUNT OF INSURANCE
 9 PAYABLE.—Subject to clause (ii) and the
 10 provisions of paragraph (2), the net
 11 amount”; and

12 (B) by adding at the end the following new
 13 clauses:

14 “(ii) INSURANCE FOR NONINTEREST-
 15 BEARING TRANSACTION ACCOUNTS.—

16 “(I) DEFINITION.—For purposes
 17 of this subparagraph, the term ‘non-
 18 interest-bearing transaction account’
 19 means an account or deposit main-
 20 tained at an insured credit union—

21 “(aa) with respect to which
 22 interest is neither accrued nor
 23 paid;

24 “(bb) on which the account
 25 holder or depositor is permitted

1 to make withdrawals by nego-
2 tiable or transferable instrument,
3 payment orders of withdrawal,
4 telephone or other electronic
5 media transfers, or other similar
6 items for the purpose of making
7 payments or transfers to third
8 parties or others; and

9 “(cc) on which the insured
10 credit union does not reserve the
11 right to require advance notice of
12 an intended withdrawal.

13 “(II) INSURANCE.—Notwith-
14 standing clause (i), the Board shall
15 fully insure the net amount that any
16 member or depositor at an insured
17 credit union maintains in a non-
18 interest-bearing transaction account.
19 Such amount shall not be taken into
20 account when computing the net
21 amount due to such member or de-
22 positor under clause (i).

23 “(III) NO FEES.—No fee may be
24 levied on an insured credit union for
25 the insurance under this clause.”.

- 1 (2) in subparagraph (B), by striking “subpara-
- 2 graph (A)” and inserting “subparagraph (A)(i)”.

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