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<p><b>Subtitle E--Improvements to the Federal Deposit Insurance Fund</b></p> <p><b>SEC. 1401. ACCOUNTING FOR ACTUAL RISK TO THE DEPOSIT INSURANCE FUND.</b></p> <p>(a) Section 7(b)(1)(C) of the Federal Deposit Insurance Act is amended to read as follows:</p> <p style="padding-left: 40px;">`C) `RISK-BASED ASSESSMENT SYSTEM' DEFINED- For purposes of this paragraph, the term `risk-based assessment system' means a system for calculating a depository institution's assessment based on--</p> <p style="padding-left: 80px;">`i) the probability that the Deposit Insurance Fund will incur a loss with respect to the institution;</p> <p style="padding-left: 80px;">`ii) the likely amount of any such loss;</p> <p style="padding-left: 80px;">`iii) the risks to the Deposit Insurance Fund attributable to such depository institution, including risks posed by its affiliates to the extent the Corporation determines appropriate, taking into account--</p> <p style="padding-left: 120px;">`I) the amount, different categories, and concentrations of assets of the insured depository institution and its affiliates, including both on-balance sheet and off-balance sheet assets;</p> <p style="padding-left: 120px;">`II) the amount, different categories, and concentrations of liabilities, both insured and uninsured, contingent and noncontingent, including both on-balance sheet and off-balance sheet liabilities, of the insured depository institution and its affiliates; and</p> <p style="padding-left: 120px;">`III) any other factors the Corporation determines are relevant to assessing the risks; and</p> <p style="padding-left: 80px;">`iv) the revenue needs of the Deposit Insurance Fund.'</p> <p>(b) Section 7(b)(2) of the Federal Deposit Insurance Act is amended by</p>		

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striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).		
	<p align="center"><b>Subtitle C--Federal Deposit Insurance Corporation</b></p> <p><b>SEC. 331. DEPOSIT INSURANCE REFORMS.</b></p> <p align="center"><i>(a) Size Distinctions- Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended--</i></p> <p align="center"><i>(1) by striking subparagraph (D); and</i></p> <p align="center"><i>(2) by redesignating subparagraph (C) as subparagraph (D).</i></p>	
<p><b>SEC. 1402. CREATING A RISK-FOCUSED ASSESSMENT BASE.</b></p> <p>Section 7(b)(2) of such Act, as amended, is further amended by amending subparagraph (C) to read as follows:</p> <p>    (C) ASSESSMENT- The assessment of any insured depository institution imposed under this subsection shall be an amount equal to the product of--</p> <p>        (i) an assessment rate established by the Corporation; and</p> <p>        (ii) the amount of the insured depository institution's average total assets during the assessment period minus the amount of the insured depository institution's average tangible equity during the assessment period, minus additional deductions or adjustments necessary to establish assessments consistent with the definition under section 7(b)(1)(C) of the Federal Deposit Insurance Act for custodial banks (as defined by the Corporation based on factors including percentage of total revenues generated by custodial businesses and the level of assets under custody) or a bankers' bank (as referred to in section 5136 of the Revised Statutes of the United States).'</p>	<p align="center"><b>Subtitle C--Federal Deposit Insurance Corporation</b></p> <p><b>SEC. 331. DEPOSIT INSURANCE REFORMS.</b></p> <p align="center"><i>(b) Assessment Base- The Corporation shall amend the regulations issued by the Corporation under section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) to define the term 'assessment base' with respect to an insured depository institution for purposes of that section 7(b)(2), as an amount equal to--</i></p> <p align="center"><i>(1) the average consolidated total assets of the insured depository institution during the assessment period; minus</i></p> <p align="center"><i>(2) the sum of--</i></p> <p align="center"><i>(A) the average tangible equity of the insured depository institution during the assessment period; and</i></p> <p align="center"><i>(B) in the case of an insured depository institution that is a custodial bank (as defined by the Corporation, based on factors including the percentage of total revenues generated by custodial businesses and the level of assets under custody) or a banker's bank (as that term is used in section 5136 of the Revised Statutes (12 U.S.C. 24)), an amount that the Corporation determines is necessary to establish assessments consistent with the definition under section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) for a custodial bank or a banker's bank.</i></p>	
<p><b>SEC. 1403. ELIMINATION OF PROCYCLICAL ASSESSMENTS.</b></p> <p>Section 7(e) of the Federal Deposit Insurance Act is amended--</p>		

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<p>(1) in paragraph (2)--  (A) by amending subparagraph (B) to read as follows:  ` (B) LIMITATION- The Board of Directors may, in its sole discretion, suspend or limit the declaration of payment of dividends under subparagraph (A).';  (B) by amending subparagraph (C) to read as follows:  ` (C) NOTICE AND OPPORTUNITY FOR COMMENT- The Corporation shall prescribe, by regulation, after notice and opportunity for comment, the method for the declaration, calculation, distribution, and payment of dividends under this paragraph'; and  (C) by striking subparagraphs (D) through (G); and  (2) in paragraph (4)(A) by striking `paragraphs (2)(D) and' and inserting `paragraphs (2) and'.</p>		
<p><b>SEC. 1404. ENHANCED ACCESS TO INFORMATION FOR DEPOSIT INSURANCE PURPOSES.</b></p> <p>(a) Section 7(a)(2)(B) of the Federal Deposit Insurance Act is amended by striking `, after agreement with the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Director of the Office of Thrift Supervision, as appropriate.'</p> <p>(b) Section 7(b)(1)(E) of the Federal Deposit Insurance Act is amended--  (1) in clause (i), by striking `such as' and inserting `including';  and  (2) by striking clause (iii).</p>		
<p><b>SEC. 1405. TRANSITION RESERVE RATIO REQUIREMENTS TO REFLECT NEW ASSESSMENT BASE.</b></p> <p>(a) Section 7(b)(3)(B) of the Federal Deposit Insurance Act is amended to read as follows:  ` (B) MINIMUM RESERVE RATIO- The reserve ratio designated by the Board of Directors for any year may not be less than 1.15 percent of estimated insured deposits, or the comparable percentage of the assessment base set forth in paragraph (2)(C).'  (b) Section 3(y)(3) of the Federal Deposit Insurance Act is amended by inserting `, or such comparable percentage of the assessment base set forth in section 7(b)(2)(C)' before the period.  (c) For a period of not less than 5 years after the date of the enactment of</p>		

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<p>this title, the Federal Deposit Insurance Corporation shall make available to the public the reserve ratio and the designated reserve ratio using both estimated insured deposits and the assessment base under section 7(b)(2)(C) of the Federal Deposit Insurance Act.</p>		
	<p align="center"><b><i>Subtitle C--Federal Deposit Insurance Corporation</i></b></p> <p><b><i>SEC. 332. MANAGEMENT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION.</i></b></p> <p><i>(a) In General- Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended--</i></p> <p><i>(1) in subsection (a)(1)(B), by striking `Director of the Office of Thrift Supervision' and inserting `Director of the Consumer Financial Protection Bureau';</i></p> <p><i>(2) by amending subsection (d)(2) to read as follows:</i>  <i>`(2) ACTING OFFICIALS MAY SERVE- In the event of a vacancy in the Office of the Comptroller of the Currency and pending the appointment of a successor, or during the absence or disability of the Comptroller of the Currency, the acting Comptroller of the Currency shall be a member of the Board of Directors in the place of the Comptroller of the Currency.'; and</i></p> <p><i>(3) in subsection (f)(2), by striking `or of the Office of Thrift Supervision'.</i></p> <p><i>(b) Effective Date- This section, and the amendments made by this section, shall take effect on the transfer date.</i></p>	
	<p><b><i>SEC. 987. AMENDMENT TO DEFINITION OF MATERIAL LOSS AND NONMATERIAL LOSSES TO THE DEPOSIT INSURANCE FUND FOR PURPOSES OF INSPECTOR GENERAL REVIEWS.</i></b></p> <p><i>(a) In General- Section 38(k) of the Federal Deposit Insurance Act (U.S.C. 1831o(k)) is amended--</i></p> <p><i>(1) in paragraph (2), by striking subparagraph (B) and inserting the following:</i></p> <p><i>`(B) MATERIAL LOSS DEFINED- The term `material loss' means any estimated loss in excess of--</i></p> <p><i>    (i) \$100,000,000, if the loss occurs during the period beginning on September 30, 2009, and ending on December 31, 2010;</i></p> <p><i>    (ii) \$75,000,000, if the loss occurs during the period beginning on January 1, 2011, and</i></p>	

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	<p>ending on December 31, 2011; and  (iii) \$50,000,000, if the loss occurs on or after January 1, 2012.';</p> <p>(2) in paragraph (4)(A) by striking 'the report' and inserting 'any report on losses required under this subsection,';</p> <p>(3) by striking paragraph (6);</p> <p>(4) by redesignating paragraph (5) as paragraph (6); and</p> <p>(5) by inserting after paragraph (4) the following:</p> <p>(5) LOSSES THAT ARE NOT MATERIAL-</p> <p>(A) SEMIANNUAL REPORT- For the 6-month period ending on March 31, 2010, and each 6-month period thereafter, the Inspector General of each Federal banking agency shall--</p> <p>(i) identify losses that the Inspector General estimates have been incurred by the Deposit Insurance Fund during that 6-month period, with respect to the insured depository institutions supervised by the Federal banking agency;</p> <p>(ii) for each loss incurred by the Deposit Insurance Fund that is not a material loss, determine--</p> <p>(I) the grounds identified by the Federal banking agency or State bank supervisor for appointing the Corporation as receiver under section 11(c)(5); and</p> <p>(II) whether any unusual circumstances exist that might warrant an in-depth review of the loss; and</p> <p>(iii) prepare and submit a written report to the appropriate Federal banking agency and to Congress on the results of any determination by the Inspector General, including--</p> <p>(I) an identification of any loss that warrants an in-depth review, together with the reasons why such review is warranted, or, if the Inspector General determines that no review is warranted, an explanation</p>	

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	<p>of such determination; and          `(II) for each loss identified under subclause (I) that warrants an in-depth review, the date by which such review, and a report on such review prepared in a manner consistent with reports under paragraph (I)(A), will be completed and submitted to the Federal banking agency and Congress.</p> <p> `(B) DEADLINE FOR SEMIANNUAL REPORT- The Inspector General of each Federal banking agency shall--</p> <p> `(i) submit each report required under paragraph (A) expeditiously, and not later than 90 days after the end of the 6-month period covered by the report; and          `(ii) provide a copy of the report required under paragraph (A) to any Member of Congress, upon request.'.</p> <p>(b) Technical and Conforming Amendment- The heading for subsection (k) of section 38 of the Federal Deposit Insurance Act (U.S.C. 1831o(k)) is amended to read as follows:</p> <p> `(k) Reviews Required When Deposit Insurance Fund Incurs Losses- '.</p>	
	<p><b>SEC. 988. AMENDMENT TO DEFINITION OF MATERIAL LOSS AND NONMATERIAL LOSSES TO THE NATIONAL CREDIT UNION SHARE INSURANCE FUND FOR PURPOSES OF INSPECTOR GENERAL REVIEWS.</b></p> <p>(a) In General- Section 216(j) of the Federal Credit Union Act (12 U.S.C. 1790d(j)) is amended to read as follows:</p> <p> `(j) Reviews Required When Share Insurance Fund Experiences Losses-          `(1) IN GENERAL- If the Fund incurs a material loss with respect to an insured credit union, the Inspector General of the Board shall--</p> <p> `(A) submit to the Board a written report reviewing the supervision of the credit union by the Administration (including the implementation of this section by the Administration), which shall include--</p> <p> `(i) a description of the reasons why the</p>	

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	<p><i>problems of the credit union resulted in a material loss to the Fund; and</i></p> <p><i>^(ii) recommendations for preventing any such loss in the future; and</i></p> <p><i>^(B) submit a copy of the report under subparagraph (A) to--</i></p> <p><i>^(i) the Comptroller General of the United States;</i></p> <p><i>^(ii) the Corporation;</i></p> <p><i>^(iii) in the case of a report relating to a State credit union, the appropriate State supervisor; and</i></p> <p><i>^(iv) to any Member of Congress, upon request.</i></p> <p><i>^(2) MATERIAL LOSS DEFINED- For purposes of determining whether the Fund has incurred a material loss with respect to an insured credit union, a loss is material if it exceeds the sum of--</i></p> <p><i>^(A) \$25,000,000; and</i></p> <p><i>^(B) an amount equal to 10 percent of the total assets of the credit union on the date on which the Board initiated assistance under section 208 or was appointed liquidating agent.</i></p> <p><i>^(3) PUBLIC DISCLOSURE REQUIRED-</i></p> <p><i>^(A) IN GENERAL- The Board shall disclose a report under this subsection, upon request under section 552 of title 5, United States Code, without excising--</i></p> <p><i>^(i) any portion under section 552(b)(5) of title 5, United States Code; or</i></p> <p><i>^(ii) any information about the insured credit union (other than trade secrets) under section 552(b)(8) of title 5, United States Code.</i></p> <p><i>^(B) RULE OF CONSTRUCTION- Subparagraph (A) may not be construed as requiring the agency to disclose the name of any customer of the insured credit union (other than an institution-affiliated party), or information from which the identity of such customer could reasonably be ascertained.</i></p> <p><i>^(4) LOSSES THAT ARE NOT MATERIAL-</i></p> <p><i>^(A) SEMIANNUAL REPORT- For the 6-month period ending on March 31, 2010, and each 6-month period thereafter, the Inspector General of the Board shall--</i></p>	

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	<p>(i) identify any losses that the Inspector General estimates were incurred by the Fund during such 6-month period, with respect to insured credit unions;</p> <p>(ii) for each loss to the Fund that is not a material loss, determine--</p> <p>(I) the grounds identified by the Board or the State official having jurisdiction over a State credit union for appointing the Board as the liquidating agent for any Federal or State credit union; and</p> <p>(II) whether any unusual circumstances exist that might warrant an in-depth review of the loss; and</p> <p>(iii) prepare and submit a written report to the Board and to Congress on the results of the determinations of the Inspector General that includes--</p> <p>(I) an identification of any loss that warrants an in-depth review, and the reasons such review is warranted, or if the Inspector General determines that no review is warranted, an explanation of such determination; and</p> <p>(II) for each loss identified in subclause (I) that warrants an in-depth review, the date by which such review, and a report on the review prepared in a manner consistent with reports under paragraph (1)(A), will be completed.</p> <p>(B) DEADLINE FOR SEMIANNUAL REPORT- The Inspector General of the Board shall--</p> <p>(i) submit each report required under subparagraph (A) expeditiously, and not later than 90 days after the end of the 6-month period covered by the report; and</p> <p>(ii) provide a copy of the report required under subparagraph (A) to any Member of</p>	

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	<p style="text-align: center;"><i>Congress, upon request.</i></p> <p><i>“(5) GAO REVIEW- The Comptroller General of the United States shall, under such conditions as the Comptroller General determines to be appropriate--</i></p> <p style="padding-left: 40px;"><i>“(A) review each report made under paragraph (1), including the extent to which the Inspector General of the Board complied with the requirements under section 8L of the Inspector General Act of 1978 (5 U.S.C. App.) with respect to each such report; and</i></p> <p style="padding-left: 40px;"><i>“(B) recommend improvements to the supervision of insured credit unions (including improvements relating to the implementation of this section).”</i></p>	