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(Original Signature of Member)

113TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Federal Deposit Insurance Act to reduce deposit insurance amounts for certain very large insured depository institutions.

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IN THE HOUSE OF REPRESENTATIVES

Mr. AMASH introduced the following bill; which was referred to the Committee on \_\_\_\_\_  
\_\_\_\_\_

**A BILL**

To amend the Federal Deposit Insurance Act to reduce deposit insurance amounts for certain very large insured depository institutions.

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 “Bank Bailout Preven-  
5 tion Act of 2014”.

1 **SEC. 2. REDUCTION IN INSURED PERCENTAGE FOR VERY**  
2 **LARGE DEPOSITORY INSTITUTIONS.**

3 (a) IN GENERAL.—Section 11(a)(1) of the Federal  
4 Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended  
5 by adding at the end the following:

6 “(G) REDUCTION IN INSURED PERCENT-  
7 AGE FOR VERY LARGE DEPOSITORY INSTITU-  
8 TIONS.—

9 “(i) LIMIT.—Notwithstanding sub-  
10 paragraph (A), the amount of deposits in-  
11 sured by the Corporation at any single in-  
12 sured depository institution may not ex-  
13 ceed five percent of the total value of de-  
14 posits insured by the Corporation.

15 “(ii) CALCULATION OF LIMIT.—The  
16 Corporation shall regularly calculate the  
17 value of deposits insured by the Corpora-  
18 tion in each insured depository institution  
19 and the total value of deposits insured by  
20 the Corporation.

21 “(iii) IMPLEMENTATION THROUGH  
22 REDUCED INSURANCE PERCENTAGE.—If  
23 an insured depository institution would  
24 hold more than five percent of the total  
25 value of deposits insured by the Corpora-  
26 tion, but for this subparagraph, the

1 amount of insurance provided by the Cor-  
2 poration under this paragraph with respect  
3 to a depositor at such institution shall be  
4 equal to the amount of insurance that  
5 would be provided by the Corporation to  
6 such depositor, but for this subparagraph,  
7 multiplied by the reduced insurance per-  
8 centage, applied uniformly to insured de-  
9 posits at the institution. The reduced in-  
10 surance percentage shall be applied within  
11 a reasonable time after the calculation in  
12 clause (ii), as determined by regulations  
13 issued by the Corporation.

14 “(iv) NOTICE TO CUSTOMERS.—The  
15 Corporation shall issue regulations requir-  
16 ing each insured depository institution sub-  
17 ject to a reduction in the insurance per-  
18 centage pursuant to clause (iii) to post a  
19 notice at each branch of such institution,  
20 on the institution’s website, and at any  
21 other place where the institution is re-  
22 quired to display a notice with respect to  
23 deposit insurance, containing—

1                   “(I) the reduced insurance per-  
2                   centage of insured deposits at the in-  
3                   stitution that the Corporation insures;

4                   “(II) a brief explanation that the  
5                   insured percentage for insured depos-  
6                   its at the institution is reduced be-  
7                   cause total insured deposits would  
8                   otherwise exceed the limit of five per-  
9                   cent per insured depository institution  
10                  of the total value of deposits insured  
11                  by the Corporation; and

12                  “(III) the amount or percentage  
13                  of insured deposits held by the institu-  
14                  tion that private insurance insures, if  
15                  any, provided that the notice clearly  
16                  distinguishes between insurance pro-  
17                  vided by the Corporation and private  
18                  insurance coverage.

19                  “(v) REDUCED INSURANCE PERCENT-  
20                  AGE DEFINED.—For purposes of this sub-  
21                  paragraph, with respect to an insured de-  
22                  pository institution, the term ‘reduced in-  
23                  surance percentage’ means such percent-  
24                  age, determined for each institution subject  
25                  to this subparagraph, that when multiplied

1                   by the value of insured deposits the Cor-  
2                   poration insures at the institution, that is  
3                   necessary to ensure that the Corporation  
4                   does not insure deposits at a single institu-  
5                   tion in excess of the limit in clause (i).”.

6           (b) **EFFECTIVE DATE.**—The amendment made by  
7 this section shall take effect on the day that is the end  
8 of the 1-year period beginning on the date of the enact-  
9 ment of this Act.