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AMENDMENT TO COMMITTEE PRINT

OFFERED BY MR. Gutierrez, Mr. Manzullo,  
Mr. Lynch

Page 114, strike line 20 and all that follows through  
page 115, line 2.

Add at the end the following new subtitle:

1 **Subtitle I—Improvements to the**  
2 **Federal Deposit Insurance Fund**

3 **SEC. 1801. ACCOUNTING FOR ACTUAL RISK TO THE DE-**  
4 **POSIT INSURANCE FUND.**

5 (a) Section 7(b)(1)(C) of the Federal Deposit Insur-  
6 ance Act is amended to read as follows:

7 “(C) ‘RISK-BASED ASSESSMENT SYSTEM’  
8 DEFINED.—For purposes of this paragraph, the  
9 term ‘risk-based assessment system’ means a  
10 system for calculating a depository institution’s  
11 assessment based on—

12 “(i) the probability that the Deposit  
13 Insurance Fund will incur a loss with re-  
14 spect to the institution;

15 “(ii) the likely amount of any such  
16 loss;

1                   “(iii) the risks to the Deposit Insur-  
2                   ance Fund attributable to such depository  
3                   institution, including risks posed by its af-  
4                   filiates to the extent the Corporation deter-  
5                   mines appropriate, taking into account—

6                                 “(I) the amount, different cat-  
7                                 egories, and concentrations of assets  
8                                 of the insured depository institution  
9                                 and its affiliates, including both on-  
10                                balance sheet and off-balance sheet  
11                               assets;

12                               “(II) the amount, different cat-  
13                               egories, and concentrations of liabil-  
14                               ities, both insured and uninsured, con-  
15                               tingent and noncontingent, including  
16                               both on-balance sheet and off-balance  
17                               sheet liabilities, of the insured depository  
18                               institution and its affiliates; and

19                               “(III) any other factors the Cor-  
20                               poration determines are relevant to  
21                               assessing the risks; and

22                               “(iv) the revenue needs of the Deposit  
23                   Insurance Fund.”.

1 (b) Section 7(b)(2) of the Federal Deposit Insurance  
2 Act is amended by striking subparagraph (D) and by re-  
3 designating subparagraph (E) as subparagraph (D).

4 **SEC. 1802. CREATING A RISK-FOCUSED ASSESSMENT BASE.**

5 Section 7(b)(2), as amended, is further amended by  
6 adding the following new subparagraph (C):

7 “(C) **ASSESSMENT.**—The assessment of  
8 any insured depository institution imposed  
9 under this subsection shall be an amount equal  
10 to the product of—

11 “(i) an assessment rate established by  
12 the Corporation; and

13 “(ii) the amount of the insured depos-  
14 itory institution’s average total assets dur-  
15 ing the assessment period minus the  
16 amount of the insured depository institu-  
17 tion’s average tangible equity during the  
18 assessment period.”.

19 **SEC. 1803. ELIMINATION OF PROCYCLICAL ASSESSMENTS.**

20 Section 7(e) of the Federal Deposit Insurance Act is  
21 amended—

22 (1) in paragraph (2)—

23 (A) by amending subparagraph (B) to read  
24 as follows:

1           “(B) LIMITATION.—The Board of Direc-  
2           tors may, in its sole discretion, suspend or limit  
3           the declaration of payment of dividends under  
4           subparagraph (A).”;

5           (B) by amending subparagraph (C) to read  
6           as follows:

7           “(C) NOTICE AND OPPORTUNITY FOR COM-  
8           MENT.—The Corporation shall prescribe, by  
9           regulation, after notice and opportunity for  
10          comment, the method for the declaration, cal-  
11          culation, distribution, and payment of dividends  
12          under this paragraph”;

13          (2) in paragraph (2), by striking subparagraphs  
14          D through G; and

15          (3) in paragraph (4)(A) by striking “para-  
16          graphs (2)(D) and” and inserting “paragraphs (2)  
17          and”.

18          **SEC. 1804. ENHANCED ACCESS TO INFORMATION FOR DE-**  
19          **POSIT INSURANCE PURPOSES.**

20          (a) Section 7(a)(2)(B) of the Federal Deposit Insur-  
21          ance Act is amended by striking “, after agreement with  
22          the Comptroller of the Currency, the Board of Governors  
23          of the Federal Reserve system, and the Director of the  
24          Office of Thrift Supervision, as appropriate,”.

1 (b) Section 7(b)(1)(E) of the Federal Deposit Insur-  
2 ance Act is amended—

3 (1) in clause (i), by striking “such as” and in-  
4 serting “including”; and

5 (2) by striking clause (iii).

6 **SEC. 1805. TRANSITION RESERVE RATIO REQUIREMENTS**  
7 **TO REFLECT NEW ASSESSMENT BASE.**

8 (a) Section 7(b)(3)(B) of the Federal Deposit Insur-  
9 ance Act is amended to read as follows:

10 “(B) **MINIMUM RESERVE RATIO.**—The re-  
11 serve ratio designated by the Board of Direc-  
12 tors for any year may not be less than 1.15 per-  
13 cent of estimated insured deposits, or the com-  
14 parable percentage of the assessment base set  
15 forth in paragraph (2)(C).”

16 (b) Section 3(y)(3) of the Federal Deposit Insurance  
17 Act is amended by inserting “, or such comparable per-  
18 centage of the assessment base set forth in section  
19 7(b)(2)(C)” before the period.

20 (c) For a period of not less than 5 years after the  
21 date of the enactment of this title, the Federal Deposit  
22 Insurance Corporation shall make available to the public  
23 the reserve ratio and the designated reserve ratio using  
24 both estimated insured deposits and the assessment base

1 under section 7(b)(2)(C) of the Federal Deposit Insurance  
2 Act.

