

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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Mr. VANCE introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## 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)—

1 (A) by striking “The net amount” and in-  
2 serting the following:

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

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

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

9 “(I) DEFINITION.—For purposes  
10 of this subparagraph, the term ‘non-  
11 interest-bearing transaction account’  
12 means a deposit or account main-  
13 tained at an insured depository insti-  
14 tution—

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

18 “(bb) on which the depositor  
19 or account holder is permitted to  
20 make withdrawals by negotiable  
21 or transferable instrument, pay-  
22 ment orders of withdrawal, tele-  
23 phone or other electronic media  
24 transfers, or other similar items  
25 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)”.