

116TH CONGRESS
2D SESSION

S. _____

To amend the Federal Deposit Insurance Act to permit the Federal Deposit Insurance Corporation to terminate the insured status of a depository institution that refuses to provide services to certain Federal contractors, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Federal Deposit Insurance Act to permit the Federal Deposit Insurance Corporation to terminate the insured status of a depository institution that refuses to provide services to certain Federal contractors, 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 “Financial Defense for
5 Industrial Contractors Act” or the “FDIC Act”.

1 **SEC. 2. TERMINATION OF INSURANCE.**

2 Section 8 of the Federal Deposit Insurance Act (12
3 U.S.C. 1818) is amended—

4 (1) in subsection (a)(3), by inserting “or (x)”
5 after “subsection (w)”; and

6 (2) by adding at the end the following:

7 “(x) **TERMINATION OF INSURANCE RELATING TO**
8 **DENIAL OF SERVICES TO FEDERAL CONTRACTORS.—**

9 “(1) **DEFINITIONS.—**In this subsection—

10 “(A) the term ‘contractor’ means an entity
11 that—

12 “(i) is a party to a contract with the
13 Federal Government;

14 “(ii) has complied with all applicable
15 laws and regulations in fulfilling the re-
16 sponsibilities of the entity with respect to
17 the contract described in clause (i); and

18 “(iii) satisfies traditional underwriting
19 and credit standards with respect to the
20 banking service sought by the entity under
21 paragraph (2); and

22 “(B) the term ‘covered institution’ means
23 an insured depository institution that has more
24 than \$50,000,000,000 in total consolidated as-
25 sets.

1 “(2) NOTICE OF TERMINATION;
2 PRETERMINATION HEARING.— If a covered institu-
3 tion refuses to provide a banking service sought by
4 a contractor, the Board of Directors shall—

5 “(A) issue to the insured depository insti-
6 tution a notice of its intention to terminate the
7 insured status of the insured depository institu-
8 tion; and

9 “(B) schedule a hearing on the matter,
10 which shall be conducted in all respects as a
11 termination hearing pursuant to paragraphs (3)
12 through (5) of subsection (a).

13 “(3) TEMPORARY INSURANCE OF PREVIOUSLY
14 INSURED DEPOSITS.—Upon termination of the in-
15 sured status of any depository institution pursuant
16 to paragraph (2), the deposits of such depository in-
17 stitution shall be treated in accordance with sub-
18 section (a)(7).”.