

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Be Adopted
Vote:	5 - 0 - 0
Yeas:	Bonamici, Boquist, George, Monroe, Shields
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	5/25

WHAT THE MEASURE DOES: Urges Congress to enact legislation to assist the Federal Deposit Insurance Corporation and National Credit Union Share Insurance Fund in establishing a voluntary system of full insurance for public funds accounts.

ISSUES DISCUSSED:

- Measure requested by local bankers
- Security of moneys insured by the Federal Deposit Insurance Corporation

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Federal Deposit Insurance Corporation (FDIC) was created in 1933 to provide deposit insurance to guarantee the safety of deposits in 7,723 member banks. The FDIC was created as a response to bank failures that began in the late 1920s. At the program’s inception, deposits were insured to up to \$2,500 per depositor; currently, deposits of up to \$250,000 per depositor are insured.

The National Credit Union Share Insurance Fund (NCUSIF) was created in 1970 to provide deposit insurance to protect the deposits of credit union members at insured institutions. The NCUSIF currently insures nearly 87 million accounts at 5,036 federal credit unions and 3,065 state-chartered credit unions.