

MEMO# 24708

November 15, 2010

FDIC Adopts Final Rule To Provide Temporary Unlimited Insurance For Noninterest-Bearing Transaction Accounts

[24708]

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TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 61-10
SEC RULES MEMBERS No. 120-10 RE: FDIC ADOPTS FINAL RULE TO PROVIDE TEMPORARY UNLIMITED INSURANCE FOR NONINTEREST-BEARING TRANSACTION ACCOUNTS

The FDIC has amended its regulations to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. [\[1\]](#) Section 343 requires the FDIC to fully insure the net amount that any depositor maintains in a “noninterest-bearing transaction account” (as defined in Section 343) at an insured depository institution. The amendments were adopted largely as proposed. [\[2\]](#) As required by Section 343, the unlimited insurance coverage becomes effective on December 31, 2010, and will expire on January 1, 2013. [\[3\]](#)

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Senior Associate Counsel

endnotes

[\[1\]](#) Federal Deposit Insurance Corporation, Deposit Insurance Regulations; Unlimited Coverage for Noninterest-Bearing Transaction Accounts, 75 Fed. Reg. 69577 (Nov. 15, 2010).

[\[2\]](#) For a summary of ICI’s comment letter on the FDIC proposal, see Institute [Memorandum](#) 24620, dated Oct. 15, 2010.

[\[3\]](#) Section 343 is similar to, but also differs in certain key respects from, the Transaction Account Guarantee Program (“TAGP”) the FDIC first adopted in October 2008. Originally set to expire on December 31, 2009, the TAGP was extended through June 30, 2010 and subsequently through December 31, 2010.

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