

103^D CONGRESS
1ST SESSION

H. R. 3389

To amend the Federal Deposit Insurance Act to require insured depository institutions to provide notify customers who purchase mutual funds on the premise of the institution that such mutual funds are not insured deposits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 27, 1993

Mr. NEAL of Massachusetts introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To amend the Federal Deposit Insurance Act to require insured depository institutions to provide notify customers who purchase mutual funds on the premise of the institution that such mutual funds are not insured deposits, 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 “Depository Institution
5 Mutual Fund Sales Act”.

1 **SEC. 2. DEPOSITORY INSTITUTION MUTUAL FUND SALE**
2 **DISCLOSURE REQUIREMENTS.**

3 Section 18 of the Federal Deposit Insurance Act (12
4 U.S.C. 1828) is amended by adding at the end the follow-
5 ing new subsection:

6 “(q) DEPOSITORY INSTITUTION MUTUAL FUND
7 SALES.—

8 “(1) DISCLOSURE REQUIRED.—An insured de-
9 pository institution shall require any person who
10 sells or offers for sale, at any office of the institu-
11 tion, any shares issued by a registered investment
12 company to disclose, in writing, to any person who
13 purchases, seeks to purchase, or seeks an opinion or
14 investment advice about, any such shares that such
15 shares are not deposits and are not insured by the
16 Corporation or the Federal Government.

17 “(2) ADVERTISING AND PROMOTIONAL MATE-
18 RIAL.—An insured depository institution shall—

19 “(A) include in any advertisement, sollicita-
20 tion, or promotional or sales material issued by
21 the institution which relates to any shares is-
22 sued by a registered investment company which
23 are sold, or offered for sale, at any office of the
24 institution (including any solicitation contained
25 in any periodic statement issued by the institu-
26 tion), and any sale confirmation notice issued in

1 connection with any such shares, the disclosures
2 required under paragraph (1); and

3 “(B) require any person who sells or offers
4 to sell any such shares at any office of the insti-
5 tution to comply with the requirements of sub-
6 paragraph (A) with respect to any advertise-
7 ment, solicitation, or promotional or sales mate-
8 rial issued by such person in connection with
9 such sales.”.

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