

104TH CONGRESS
2D SESSION

H. R. 3993

To allow depository institutions to offer negotiable order of withdrawal accounts to all businesses, to repeal the prohibition on the payment of interest on demand deposits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1996

Mr. METCALF (for himself, Mr. MCCOLLUM, Mr. GONZALEZ, Mr. BAKER of Louisiana, Mr. LAZIO of New York, and Mr. ORTON) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To allow depository institutions to offer negotiable order of withdrawal accounts to all businesses, to repeal the prohibition on the payment of interest on demand 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 “Small Business Bank-
5 ing Act of 1996.”.

1 **SEC. 2. AMENDMENTS RELATING TO SAVINGS AND DEMAND**
2 **DEPOSIT ACCOUNTS AT DEPOSITORY INSTI-**
3 **TUTIONS.**

4 (a) NOW ACCOUNTS AUTHORIZED FOR ALL BUSI-
5 NESSES.—Section 2 of Public Law 93–100 (12 U.S.C.
6 1832(a)(2)) is amended to read as follows:

7 **“SEC. 2. WITHDRAWALS BY NEGOTIABLE OR TRANSFER-**
8 **ABLE INSTRUMENTS FOR TRANSFERS TO**
9 **THIRD PARTIES.**

10 “Notwithstanding any other provision of law, any de-
11 pository institution (as defined in section 3 of the Federal
12 Deposit Insurance Act) may permit the owner of any de-
13 posit or account on which interest or dividends are paid
14 to make withdrawals from such deposit or account by ne-
15 gotiable or transferable instruments for the purpose of
16 making payments to third parties.”.

17 (b) REPEAL OF PROHIBITION ON PAYMENT OF IN-
18 TEREST ON DEMAND DEPOSITS.—

19 (1) Section 19 of the Federal Reserve Act (12
20 U.S.C. 371a) is amended by striking subsection (i).

21 (2) The first sentence of section 5(b)(1)(B) of
22 the Home Owners’ Loan Act (12 U.S.C.
23 1464(b)(1)(B)) is amended by striking “savings as-
24 sociation may not—” and all that follows through
25 “(ii) permit any” and inserting “savings association
26 may not permit any”.

1 (3) Section 18 of the Federal Deposit Insurance
2 Act (12 U.S.C. 1828) is amended by striking sub-
3 section (g).

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