

**§ 1831i. Agency disapproval of directors and senior executive officers of insured depository institutions or depository institution holding companies**

**(a) Prior notice required**

An insured depository institution or depository institution holding company shall notify the appropriate Federal banking agency of the proposed addition of any individual to the board of directors or the employment of any individual as a senior executive officer of such institution or holding company at least 30 days (or such other period, as determined by the appropriate Federal banking agency) before such addition or employment becomes effective, if—

(1) the insured depository institution or depository institution holding company is not in compliance with the minimum capital requirement applicable to such institution or is otherwise in a troubled condition, as determined by such agency on the basis of such institution's or holding company's most recent report of condition or report of examination or inspection; or

(2) the agency determines, in connection with the review by the agency of the plan required under section 1831o of this title or otherwise, that such prior notice is appropriate.

**(b) Disapproval by agency**

An insured depository institution or depository institution holding company may not add any individual to the board of directors or employ any individual as a senior executive officer if the appropriate Federal banking agency issues a notice of disapproval of such addition or employment before the end of the notice period, not to exceed 90 days, beginning on the date the agency receives notice of the proposed action pursuant to subsection (a) of this section.

**(c) Exception in extraordinary circumstances**

**(1) In general**

Each appropriate Federal banking agency may prescribe by regulation conditions under which the prior notice requirement of subsection (a) of this section may be waived in the event of extraordinary circumstances.

**(2) No effect on disapproval authority of agency**

Such waivers shall not affect the authority of each agency to issue notices of disapproval of such additions or employment of such individuals within 30 days after each such waiver.

**(d) Additional information**

Any notice submitted to an appropriate Federal banking agency with respect to an individual by any insured depository institution or depository institution holding company pursuant to subsection (a) of this section shall include—

(1) the information described in section 1817(j)(6)(A) of this title about the individual; and

(2) such other information as the agency may prescribe by regulation.

**(e) Standard for disapproval**

The appropriate Federal banking agency shall issue a notice of disapproval with respect to a

notice submitted pursuant to subsection (a) of this section if the competence, experience, character, or integrity of the individual with respect to whom such notice is submitted indicates that it would not be in the best interests of the depositors of the depository institution or in the best interests of the public to permit the individual to be employed by, or associated with, the depository institution or depository institution holding company.

**(f) Definition regulations**

Each appropriate Federal banking agency shall prescribe by regulation a definition for the terms "troubled condition" and "senior executive officer" for purposes of subsection (a) of this section.

(Sept. 21, 1950, ch. 967, §2[32], as added Pub. L. 101-73, title IX, §914(a), Aug. 9, 1989, 103 Stat. 484; amended Pub. L. 104-208, div. A, title II, §2209, Sept. 30, 1996, 110 Stat. 3009-409.)

AMENDMENTS

1996—Subsec. (a). Pub. L. 104-208, §2209(1)(A), (B), in introductory provisions, inserted "(or such other period, as determined by the appropriate Federal banking agency)" after "30 days" and substituted "if" for "if the insured depository institution or depository institution holding company".

Subsec. (a)(1). Pub. L. 104-208, §2209(1)(E), inserted "the insured depository institution or depository institution holding company" before "is not in compliance" and substituted "; or" for period at end.

Pub. L. 104-208, §2209(1)(C), (D), redesignated par. (3) as (1) and struck out former par. (1) which read as follows: "has been chartered less than 2 years in the case of an insured depository institution;".

Subsec. (a)(2). Pub. L. 104-208, §2209(1)(C), (F), added par. (2) and struck out former par. (2) which read as follows: "has undergone a change in control within the preceding 2 years; or".

Subsec. (a)(3). Pub. L. 104-208, §2209(1)(D), redesignated par. (3) as (1).

Subsec. (b). Pub. L. 104-208, §2209(2), substituted "notice period, not to exceed 90 days," for "30-day period".

**§ 1831j. Depository institution employee protection remedy**

**(a) In general**

**(1) Employees of depository institutions**

No insured depository institution may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to any Federal banking agency or to the Attorney General regarding—

(A) a possible violation of any law or regulation; or

(B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

by the depository institution or any director, officer, or employee of the institution.

**(2) Employees of banking agencies**

No Federal banking agency, Federal home loan bank, Federal reserve bank, or any person who is performing, directly or indirectly, any function or service on behalf of the Corpora-

tion may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to any such agency or bank or to the Attorney General regarding any possible violation of any law or regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety by—

(A) any depository institution or any such bank or agency;

(B) any director, officer, or employee of any depository institution or any such bank;

(C) any officer or employee of the agency which employs such employee; or

(D) the person, or any officer or employee of the person, who employs such employee.

#### (b) Enforcement

Any employee or former employee who believes he has been discharged or discriminated against in violation of subsection (a) of this section may file a civil action in the appropriate United States district court before the close of the 2-year period beginning on the date of such discharge or discrimination. The complainant shall also file a copy of the complaint initiating such action with the appropriate Federal banking agency.

#### (c) Remedies

If the district court determines that a violation of subsection (a) of this section has occurred, it may order the depository institution, Federal home loan bank, Federal Reserve bank, or Federal banking agency which committed the violation—

(1) to reinstate the employee to his former position;

(2) to pay compensatory damages; or

(3) take other appropriate actions to remedy any past discrimination.

#### (d) Limitation

The protections of this section shall not apply to any employee who—

(1) deliberately causes or participates in the alleged violation of law or regulation; or

(2) knowingly or recklessly provides substantially false information to such an agency or the Attorney General.

#### (e) “Federal banking agency” defined

For purposes of subsections (a) and (c) of this section, the term “Federal banking agency” means the Corporation, the Board of Governors of the Federal Reserve System, the Federal Housing Finance Agency and the Comptroller of the Currency.

#### (f) Burdens of proof

The legal burdens of proof that prevail under subchapter III of chapter 12 of title 5 shall govern adjudication of protected activities under this section.

(Sept. 21, 1950, ch. 967, § 2[33], as added Pub. L. 101-73, title IX, § 932(a), Aug. 9, 1989, 103 Stat. 494; amended Pub. L. 102-242, title II, § 251(a)(1)-(3), Dec. 19, 1991, 105 Stat. 2331, 2332; Pub. L. 103-204,

§ 21(a), Dec. 17, 1993, 107 Stat. 2406; Pub. L. 103-325, title VI, § 602(a)(61), (c), Sept. 23, 1994, 108 Stat. 2291; Pub. L. 111-203, title III, § 363(10), July 21, 2010, 124 Stat. 1555.)

#### AMENDMENTS

2010—Subsec. (e). Pub. L. 111-203 substituted “Federal Housing Finance Agency and the Comptroller of the Currency” for “Federal Housing Finance Board, the Comptroller of the Currency, and the Director of the Office of Thrift Supervision”.

1994—Subsec. (a). Pub. L. 103-325, § 602(c), amended directory language of Pub. L. 103-204, § 21(a). See 1993 Amendment note below.

Subsec. (c)(1). Pub. L. 103-325, § 602(a)(61), substituted semicolon for comma at end.

Subsec. (f). Pub. L. 103-325, § 602(c)(1)-(3), amended directory language of Pub. L. 103-204, § 21(a)(1)(B). See 1993 Amendment note below.

1993—Subsec. (a)(1). Pub. L. 103-204, § 21(a)(1)(A), as amended by Pub. L. 103-325, § 602(c)(1)-(3), substituted “regarding—

“(A) a possible violation of any law or regulation;

or

“(B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

by the depository institution or any director, officer, or employee of the institution.” for “regarding any possible violation of any law or regulation by the depository institution or any director, officer, or employee of the institution.”

Subsec. (a)(2). Pub. L. 103-204, § 21(a)(2)(A), (B), as amended by Pub. L. 103-325, § 602(c)(1), (2), (4), in introductory provisions, substituted “Federal reserve bank, or any person who is performing, directly or indirectly, any function or service on behalf of the Corporation” for “or Federal Reserve bank” and “any possible violation of any law or regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety by” for “any possible violation of any law or regulation by”.

Subsec. (a)(2)(D). Pub. L. 103-204, § 21(a)(2)(C)-(E), as amended by Pub. L. 103-325, § 602(c)(1), (2), (4), added subpar. (D).

Subsec. (f). Pub. L. 103-204, § 21(a)(1)(B), as amended by Pub. L. 103-325, § 602(c)(1)-(3), added subsec. (f).

1991—Subsec. (a). Pub. L. 102-242, § 251(a)(1), amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: “No federally insured depository institution may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to any Federal banking agency or to the Attorney General regarding a possible violation of any law or regulation by the depository institution or any of its officers, directors, or employees.”

Subsec. (c). Pub. L. 102-242, § 251(a)(2), inserted “, Federal home loan bank, Federal Reserve bank, or Federal banking agency”.

Subsec. (e). Pub. L. 102-242, § 251(a)(3), added subsec. (e).

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

#### EFFECTIVE DATE OF 1991 AMENDMENT

Section 251(a)(4) of Pub. L. 102-242 provided that: “Paragraph (2) of section 33(a) of the Federal Deposit Insurance Act [12 U.S.C. 1831j(a)(2)] (as added under the amendment made by paragraph (1)) shall be treated as having taken effect on January 1, 1987, and for purposes of any cause of action arising under such paragraph (as so effective) before the date of the enactment of this

Act [Dec. 19, 1991], the 2-year period referred to in section 33(b) of such Act shall be deemed to begin on such date of enactment.”

**§ 1831k. Reward for information leading to recoveries or civil penalties**

**(a) In general**

An appropriate Federal banking agency, with the concurrence of the Attorney General, may pay a reward to a person who provides original information which leads to—

(1) recovery of a criminal fine, restitution, or civil penalty—

(A) under—

- (i) this chapter;
- (ii) the Federal Credit Union Act [12 U.S.C. 1751 et seq.];
- (iii) section 93(b), 164, or 481 to 485 of this title;
- (iv) the Federal Reserve Act [12 U.S.C. 221 et seq.];
- (v) the Bank Holding Company Act Amendments of 1970;
- (vi) the Bank Holding Company Act of 1956 [12 U.S.C. 1841 et seq.];
- (vii) the Home Owners' Loan Act [12 U.S.C. 1461 et seq.]; or
- (viii) section 3663 of title 18 pursuant to a conviction for an offense referred to in subparagraph (B) of this paragraph,

(B) pursuant to a conviction for an offense under section 215, 656, 657, 1005, 1006, 1007, 1014, 1341, 1343, or 1344 of title 18 affecting a depository institution insured by the Federal Deposit Insurance Corporation, or for a conspiracy to commit such an offense; or

(C) under section 1833a of this title; or

(2) a forfeiture under section 981 or 982 of title 18 that arises in connection with a depository institution insured by the Federal Deposit Insurance Corporation.

**(b) Percentage limitation**

An appropriate Federal banking agency may not pay a reward under subsection (a) of this section of more than 25 percent of the amount of the fine, penalty, restitution, or forfeiture or \$100,000, whichever is less.

**(c) Officials and persons ineligible**

An appropriate Federal banking agency may not pay a reward under subsection (a) of this section to—

(1) an officer or employee of the United States or of a State or local government who provides information described in subsection (a) of this section, obtained in the performance of official duties; or

(2) a person who—

(A) deliberately causes or participates in the alleged violation of law or regulation, or

(B) knowingly or recklessly provides substantially false information to such an agency or the Attorney General.

**(d) Nonreviewability**

Any agency decision under this section is final and not reviewable by any court.

(Sept. 21, 1950, ch. 967, §2[34], as added Pub. L. 101-73, title IX, §933(a), Aug. 9, 1989, 103 Stat. 495;

amended Pub. L. 101-647, title XXV, §2586, Nov. 29, 1990, 104 Stat. 4903; Pub. L. 103-325, title VI, §602(a)(62), (63), Sept. 23, 1994, 108 Stat. 2291.)

REFERENCES IN TEXT

The Federal Credit Union Act, referred to in subsec. (a)(1)(A)(ii), is act June 26, 1934, ch. 750, 48 Stat. 1216, as amended, which is classified generally to chapter 14 (§1751 et seq.) of this title. For complete classification of this Act to the Code, see section 1751 of this title and Tables.

The Federal Reserve Act, referred to in subsec. (a)(1)(A)(iv), is act Dec. 23, 1913, ch. 6, 38 Stat. 251, as amended, which is classified principally to chapter 3 (§221 et seq.) of this title. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

The Bank Holding Company Act Amendments of 1970, referred to in subsec. (a)(1)(A)(v), is Pub. L. 91-607, Dec. 31, 1970, 84 Stat. 1760, as amended. For complete classification of this Act to the Code, see Short Title of 1970 Amendment note set out under section 1841 of this title and Tables.

The Bank Holding Company Act of 1956, referred to in subsec. (a)(1)(A)(vi), is act May 9, 1956, ch. 240, 70 Stat. 133, as amended, which is classified principally to chapter 17 (§1841 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1841 of this title and Tables.

The Home Owners' Loan Act, referred to in subsec. (a)(1)(A)(vii), is act June 13, 1933, ch. 64, 48 Stat. 128, as amended, which is classified generally to chapter 12 (§1461 et seq.) of this title. For complete classification of this Act to the Code, see section 1461 of this title and Tables.

AMENDMENTS

1994—Subsec. (a)(1)(A)(iii). Pub. L. 103-325, §602(a)(62), substituted “section” for “sections” and “or” for “and”.

Subsec. (a)(2). Pub. L. 103-325, §602(a)(63), inserted period at end.

1990—Subsec. (a)(1). Pub. L. 101-647, §2586(1), struck out “, in an amount that exceeds \$50,000,” after “recovery” in introductory provisions.

Subsec. (a)(2). Pub. L. 101-647, §2586(2), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “a forfeiture under section 981 or 982 of title 18 that—

“(A) arises in connection with a depository institution insured by the Federal Deposit Insurance Corporation; and

“(B) exceeds \$50,000.”

**§ 1831I. Coordination of risk analysis between SEC and Federal banking agencies**

Any appropriate Federal banking agency shall notify the Securities and Exchange Commission of any concerns of the agency regarding significant financial or operational risks to any registered broker or dealer, or any registered municipal securities dealer, government securities broker, or government securities dealer for which the Commission is the appropriate regulatory agency (as defined in section 78c of title 15), resulting from the activities of any insured depository institution, any depository institution holding company, or any affiliate of any such institution or company if such broker, dealer, municipal securities dealer, government securities broker, or government securities dealer is an affiliate of any such institution, company, or affiliate.

(Sept. 21, 1950, ch. 967, §2[35], as added Pub. L. 101-432, §7, Oct. 16, 1990, 104 Stat. 975.)