

CODIFICATION

Section was classified to section 1831p of this title prior to renumbering by Pub. L. 102-550.

AMENDMENTS

1996—Subsec. (e), Pub. L. 104-208 added subsec. (e).
1994—Subsec. (d), Pub. L. 103-328 added subsec. (d).

§ 1831s. Transferred

CODIFICATION

Section, act Sept. 21, 1950, ch. 967, §2[39], as added Dec. 19, 1991, Pub. L. 102-242, title I, §132(a), 105 Stat. 2267, as amended, which related to standards for safety and soundness, was transferred to section 1831p-1 of this title.

§ 1831t. Depository institutions lacking Federal deposit insurance**(a) Annual independent audit of private deposit insurers****(1) Audit required**

Any private deposit insurer shall obtain an annual audit from an independent auditor using generally accepted auditing standards. The audit shall include a determination of whether the private deposit insurer follows generally accepted accounting principles and has set aside sufficient reserves for losses.

(2) Providing copies of audit report**(A) Private deposit insurer**

The private deposit insurer shall provide a copy of the audit report—

- (i) to each depository institution the deposits of which are insured by the private deposit insurer, not later than 14 days after the audit is completed; and
- (ii) to the appropriate supervisory agency of each State in which such an institution receives deposits, not later than 7 days after the audit is completed.

(B) Depository institution

Any depository institution the deposits of which are insured by the private deposit insurer shall provide a copy of the audit report, upon request, to any current or prospective customer of the institution.

(3) Enforcement by appropriate State supervisor

Any appropriate State supervisor of a private deposit insurer, and any appropriate State supervisor of a depository institution which receives deposits that are insured by a private deposit insurer, may examine and enforce compliance with this subsection under the applicable regulatory authority of such supervisor.

(b) Disclosure required

Any depository institution lacking Federal deposit insurance shall, within the United States, do the following:

(1) Periodic statements; account records

Include conspicuously in all periodic statements of account, on each signature card, and on each passbook, certificate of deposit, or share certificate,¹ a notice that the institution

is not federally insured, and that if the institution fails, the Federal Government does not guarantee that depositors will get back their money.

(2) Advertising; premises**(A) In general**

Include clearly and conspicuously in all advertising, except as provided in subparagraph (B); and at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts (excluding automated teller machines or point of sale terminals), and on its main Internet page, a notice that the institution is not federally insured.

(B) Exceptions

The following need not include a notice that the institution is not federally insured:

- (i) Any sign, document, or other item that contains the name of the depository institution, its logo, or its contact information, but only if the sign, document, or item does not include any information about the institution's products or services or information otherwise promoting the institution.
- (ii) Small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.

(3) Acknowledgment of disclosure**(A) New depositors obtained other than through a conversion or merger**

With respect to any depositor who was not a depositor at the depository institution before October 13, 2006, and who is not a depositor as described in subparagraph (B), receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgement that—

- (i) the institution is not federally insured; and
- (ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor's money.

(B) New depositors obtained through a conversion or merger

With respect to a depositor at a federally insured depository institution that converts to, or merges into, a depository institution lacking federal insurance after October 13, 2006, receive any deposit for the account of such depositor only if—

- (i) the depositor has signed a written acknowledgement described in subparagraph (A); or
- (ii) the institution makes an attempt, as described in subparagraph (D) and sent by mail no later than 45 days after the effective date of the conversion or merger, to obtain the acknowledgment.

(C) Current depositors

Receive any deposit after October 13, 2006, for the account of any depositor who was a depositor on that date only if—

¹ So in original. The period probably should not appear.