

pository institution who willfully or through gross negligence violates, or any person who willfully causes such a violation, any regulation prescribed under subsection (b) shall be liable to the United States for a civil penalty of not more than \$10,000.

(2) Treatment of continuing violation

A separate violation of any regulation prescribed under subsection (b) of this section occurs for each day the violation continues and at each office, branch, or place of business at which such violation occurs.

(3) Assessment

Any penalty imposed under paragraph (1) shall be assessed, mitigated, and collected in the manner provided in subsections (b) and (c) of section 5321 of title 31.

(Sept. 21, 1950, ch. 967, §2[21], as added Pub. L. 91-508, title I, §101, Oct. 26, 1970, 84 Stat. 1114; amended Pub. L. 95-369, §6(c)(29), Sept. 17, 1978, 92 Stat. 620; Pub. L. 100-690, title VI, §6185(d)(1), Nov. 18, 1988, 102 Stat. 4356; Pub. L. 101-73, title II, §201(a), Aug. 9, 1989, 103 Stat. 187; Pub. L. 102-550, title XV, §§1515(a), (b), 1535(b), Oct. 28, 1992, 106 Stat. 4058, 4059, 4066; Pub. L. 103-325, title VI, §602(a)(52)-(54), Sept. 23, 1994, 108 Stat. 2290; Pub. L. 107-56, title III, §358(d), Oct. 26, 2001, 115 Stat. 326; Pub. L. 108-458, title VI, §6203(k), Dec. 17, 2004, 118 Stat. 3747.)

CODIFICATION

In subsec. (e), “subchapter II of chapter 53 of title 31” was substituted for “the Currency and Foreign Transactions Reporting Act [31 U.S.C. 1051 et seq.]” on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

AMENDMENTS

2004—Subsec. (a)(2). Pub. L. 108-458 substituted “recognizing that” for “recognizes that”.

2001—Subsec. (a). Pub. L. 107-56 reenacted heading without change and amended text generally. Prior to amendment, text read as follows:

“(1) The Congress finds that adequate records maintained by insured depository institutions have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. The Congress further finds that microfilm or other reproductions and other records made by banks of checks, as well as records kept by banks of the identity of persons maintaining or authorized to act with respect to accounts therein, have been of particular value in this respect.

“(2) It is the purpose of this section to require the maintenance of appropriate types of records by insured depository institutions in the United States where such records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.”

1994—Subsecs. (c), (d)(2), (e). Pub. L. 103-325 substituted “the insured depository institution” for “the bank”.

1992—Subsec. (b). Pub. L. 102-550, §1515(a), inserted heading, designated existing provisions as par. (1) and inserted heading, and added pars. (2) and (3).

Subsec. (c). Pub. L. 102-550, §1515(b)(1), substituted “Subject to the requirements of any regulations prescribed jointly by the Secretary and the Board under paragraph (2) or (3) of subsection (b), each insured” for “Each insured”.

Subsec. (e). Pub. L. 102-550, §1515(b)(2), substituted “Subject to the requirements of any regulations prescribed jointly by the Secretary and the Board under paragraph (2) or (3) of subsection (b), whenever any” for “Whenever any”.

Subsec. (f). Pub. L. 102-550, §1515(b)(3), substituted “Subject to the requirements of any regulations prescribed jointly by the Secretary and the Board under paragraph (2) or (3) of subsection (b) and in addition to” for “In addition to”.

Subsec. (j)(1). Pub. L. 102-550, §1535(b), inserted “, or any person who willfully causes such a violation,” after “gross negligence violates”.

1989—Pub. L. 101-73 substituted references to insured depository institutions for references to insured banks wherever appearing in this section.

1988—Subsec. (j). Pub. L. 100-690 added subsec. (j).

1978—Subsec. (i). Pub. L. 95-369 added subsec. (i).

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-458 effective as if included in Pub. L. 107-56, as of the date of enactment of such Act, and no amendment made by Pub. L. 107-56 that is inconsistent with such amendment to be deemed to have taken effect, see section 6205 of Pub. L. 108-458, set out as a note under section 1828 of this title.

EFFECTIVE DATE OF 2001 AMENDMENT

Pub. L. 107-56, title III, §358(h), Oct. 26, 2001, 115 Stat. 328, provided that: “The amendments made by this section [enacting section 1681v of Title 15, Commerce and Trade, amending this section and sections 1953, 3412, 3414, and 3420 of this title, section 1681u of Title 15, and sections 5311, 5318, and 5319 of Title 31, Money and Finance] shall apply with respect to reports filed or records maintained on, before, or after the date of enactment of this Act [Oct. 26, 2001].”

EFFECTIVE DATE

Section effective on first day of seventh calendar month which begins after Oct. 26, 1970, except that the Secretary of the Treasury may, by regulation, provide that this section be effective on any date not earlier than the publication of such regulations in the Federal Register and not later than first day of thirteenth calendar month which begins after Oct. 26, 1970, see section 401(a), (b) of Pub. L. 91-508, set out as a note under section 1951 of this title.

REGULATIONS

Pub. L. 102-550, title XV, §1515(c), Oct. 28, 1992, 106 Stat. 4059, provided that: “The initial final regulations prescribed pursuant to section 21(b)(3) of the Federal Deposit Insurance Act [12 U.S.C. 1829b(b)(3)] (as added by subsection (a)(2) of this section) shall take effect before January 1, 1994.”

ADDITIONAL CRIMINAL PENALTIES

Willful violation of regulations under this section punishable by fine of not more than \$10,000 or imprisonment of not more than five years, or both, when such willful violation is committed in furtherance of the commission of any violation of federal law punishable by imprisonment of more than one year, see section 1957 of this title.

ADMINISTRATIVE PROCEDURE

Administrative procedure and judicial review provisions of subchapter II (§551 et seq.) of chapter 5 and chapter 7 (§701 et seq.) of Title 5, Government Organization and Employees, applicable to all proceedings under this section, see section 1959 of this title.

RESPONSIBILITY FOR COMPLIANCE

Responsibility for the Secretary of the Treasury to assure compliance with requirements of this section, and Secretary’s authority to delegate such responsibility to the appropriate bank supervisory agency, or other supervisory agency, see section 1958 of this title.

§ 1830. Nondiscrimination

It is not the purpose of this chapter to discriminate in any manner against State non-

member banks or State savings associations and in favor of national or member banks or Federal savings associations, respectively. It is the purpose of this chapter to provide all banks and savings associations with the same opportunity to obtain and enjoy the benefits of this chapter.

(Sept. 21, 1950, ch. 967, §2[22], formerly §2[20], 64 Stat. 893; renumbered §2[21], Pub. L. 90-203, §3, Dec. 15, 1967, 81 Stat. 610; renumbered §2[22], Pub. L. 91-508, title I, §101, Oct. 26, 1970, 84 Stat. 1114; amended Pub. L. 101-73, title II, §223, Aug. 9, 1989, 103 Stat. 273.)

PRIOR PROVISIONS

Section is derived from subsec. (y) of former section 264 of this title. See Codification note set out under section 1811 of this title.

AMENDMENTS

1989—Pub. L. 101-73 amended section generally. Prior to amendment, section read as follows: "It is not the purpose of this chapter to discriminate in any manner against State nonmember banks and in favor of national or member banks; but the purpose is to provide all banks with the same opportunity to obtain and enjoy the benefits of this chapter. No bank shall be discriminated against because its capital stock is less than the amount required for eligibility for admission into the Federal Reserve System."

§ 1831. Separability of certain provisions of this chapter

The provisions of this chapter limiting the insurance of the deposits of any depositor to a maximum less than the full amount shall be independent and separable from each and all of the provisions of this chapter.

(Sept. 21, 1950, ch. 967, §2[23], formerly §2[21], 64 Stat. 894; renumbered §2[22], Pub. L. 90-203, §3, Dec. 15, 1967, 81 Stat. 610; renumbered §2[23], Pub. L. 91-508, title I, §101, Oct. 26, 1970, 84 Stat. 1114.)

PRIOR PROVISIONS

Section is derived from subsec. (z) of former section 264 of this title. See Codification note set out under section 1811 of this title.

§ 1831a. Activities of insured State banks

(a) Permissible activities

(1) In general

After the end of the 1-year period beginning on December 19, 1991, an insured State bank may not engage as principal in any type of activity that is not permissible for a national bank unless—

(A) the Corporation has determined that the activity would pose no significant risk to the Deposit Insurance Fund; and

(B) the State bank is, and continues to be, in compliance with applicable capital standards prescribed by the appropriate Federal banking agency.

(2) Processing period

(A) In general

The Corporation shall make a determination under paragraph (1)(A) not later than 60 days after receipt of a completed application that may be required under this subsection.

(B) Extension of time period

The Corporation may extend the 60-day period referred to in subparagraph (A) for not

more than 30 additional days, and shall notify the applicant of any such extension.

(b) Insurance underwriting

(1) In general

Notwithstanding subsection (a), an insured State bank may not engage in insurance underwriting except to the extent that activity is permissible for national banks.

(2) Exception for certain federally reinsured crop insurance

Notwithstanding any other provision of law, an insured State bank or any of its subsidiaries that provided insurance on or before September 30, 1991, which was reinsured in whole or in part by the Federal Crop Insurance Corporation may continue to provide such insurance.

(c) Equity investments by insured State banks

(1) In general

An insured State bank may not, directly or indirectly, acquire or retain any equity investment of a type that is not permissible for a national bank.

(2) Exception for certain subsidiaries

Paragraph (1) shall not prohibit an insured State bank from acquiring or retaining an equity investment in a subsidiary of which the insured State bank is a majority owner.

(3) Exception for qualified housing projects

(A) Exception

Notwithstanding any other provision of this subsection, an insured State bank may invest as a limited partner in a partnership, the sole purpose of which is direct or indirect investment in the acquisition, rehabilitation, or new construction of a qualified housing project.

(B) Limitation

The aggregate of the investments of any insured State bank pursuant to this paragraph shall not exceed 2 percent of the total assets of the bank.

(C) Qualified housing project defined

As used in this paragraph—

(i) Qualified housing project

The term "qualified housing project" means residential real estate that is intended to primarily benefit lower income people throughout the period of the investment.

(ii) Lower income

The term "lower income" means income that is less than or equal to the median income based on statistics from State or Federal sources.

(4) Transition rule

(A) In general

The Corporation shall require any insured State bank to divest any equity investment the retention of which is not permissible under this subsection as quickly as can be prudently done, and in any event before the end of the 5-year period beginning on December 19, 1991.