

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4178

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## AN ACT

To amend the Federal Deposit Insurance Act to provide for deposit restricted qualified tuition programs, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Deposit Restricted  
3 Qualified Tuition Programs Act of 2010”.

4 **SEC. 2. DEPOSIT RESTRICTED QUALIFIED TUITION PRO-**  
5 **GRAMS.**

6 Section 18 of the Federal Deposit Insurance Act (12  
7 U.S.C. 1828) is amended by adding at the end the fol-  
8 lowing new subsection:

9 “(y) DEPOSIT RESTRICTED QUALIFIED TUITION  
10 PROGRAMS.—

11 “(1) DEFINITIONS.—For purposes of this sub-  
12 section, the following definitions shall apply:

13 “(A) DEPOSIT RESTRICTED QUALIFIED  
14 TUITION PROGRAM.—The term ‘deposit re-  
15 stricted qualified tuition program’ means a  
16 qualified tuition program in which—

17 “(i) the cash provided by a contrib-  
18 utor to such a qualified tuition program  
19 may be invested only in deposits insured by  
20 the Corporation;

21 “(ii) the contributor may become a  
22 participant in the program by depositing  
23 funds through the program into an account  
24 at a depository institution participating in  
25 the program; and

1 “(iii) the program may include mul-  
2 tiple depository institutions, subject to the  
3 requirements of section 529 of the Internal  
4 Revenue Code of 1986, as amended.

5 “(B) QUALIFIED TUITION PROGRAM.—The  
6 term ‘qualified tuition program’ has the same  
7 meaning as in section 529 of the Internal Rev-  
8 enue Code of 1986, as amended.

9 “(2) TREATMENT.—Notwithstanding any other  
10 provision of the law, the following provisions shall  
11 apply with respect to any deposit restricted qualified  
12 tuition program:

13 “(A) A deposit restricted qualified tuition  
14 program shall be deemed to be an ‘identified  
15 banking product’ (as defined in Section 206 of  
16 the Gramm-Leach-Bliley Act of 1999) for pur-  
17 poses of the Securities Exchange Act of 1934.

18 “(B) None of the following shall be treated  
19 as a security, as defined in section 2(a)(1) the  
20 Securities Act of 1933, section 3(a)(10) of the  
21 Securities Exchange Act of 1934, or section  
22 2(a)(36) of the Investment Company Act of  
23 1940:

1 “(i) The deposits of cash at an in-  
2 sured depository institution relating to a  
3 deposit restricted tuition program.

4 “(ii) Any certificate of deposit or  
5 other instrument of an insured depository  
6 institution evidencing any such deposit.

7 “(iii) The rights and obligations of  
8 participants in a deposit restricted quali-  
9 fied tuition program arising from section  
10 529 of the Internal Revenue Code, as  
11 amended.

12 “(C) In no event shall a deposit restricted  
13 qualified tuition program, the State entity des-  
14 ignated by statute to oversee such program, the  
15 administrator appointed to operate the program  
16 on behalf of the State or a participating deposi-  
17 tory institution, be deemed to be an issuer of a  
18 security or to be an investment company (as de-  
19 fined in section 3(a) of the Investment Com-  
20 pany Act of 1940).”.

21 **SEC. 3. BUDGET COMPLIANCE.**

22 The budgetary effects of this Act, for the purpose of  
23 complying with the Statutory Pay-As-You-Go Act of 2010,  
24 shall be determined by reference to the latest statement  
25 titled “Budgetary Effects of PAYGO Legislation” for this

1 Act, submitted for printing in the Congressional Record  
2 by the Chairman of the Committee on the Budget of the  
3 House of Representatives, provided that such statement  
4 has been submitted prior to the vote on passage.

Passed the House of Representatives April 20, 2010.

Attest:

*Clerk.*

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