



SPONSOR: Sen. Pettyjohn & Rep. Vanderwende  
Sen. Wilson; Reps. Briggs King, Gray, Osienski, D. Short

DELAWARE STATE SENATE  
151st GENERAL ASSEMBLY

SENATE BILL NO. 224

AN ACT TO AMEND TITLE 5 OF THE DELAWARE CODE RELATING TO BUILDING AND LOAN  
ASSOCIATION INSURANCE REGULATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1           Section 1. Amend § 1727, Title 5 of the Delaware Code by making deletions as shown by strike through and  
2     insertions as shown by underline as follows:

3           § 1727. Insurance required.

4           ~~No~~ A building and loan association whose total assets exceed ~~\$10,000,000~~ \$15,000,000 or registered office of an  
5     association created under the laws of any other state may not engage in business within this State unless its shares, savings  
6     accounts, savings ~~certificates~~ certificates, and other types of share or deposit accounts offered are federally insured. Before  
7     an institution which is not federally insured receives funds from a new shareholder, investor, member, ~~subscriber and/or~~  
8     subscriber, or depositor, the institution shall obtain the signature of such person ~~upon~~ on a disclosure, on a form approved  
9     by the State Bank Commissioner, advising such person that the funds deposited with that institution are not federally  
10    insured.

SYNOPSIS

This Act raises the threshold limit requiring a building and loan association to obtain federal deposit insurance from \$10,000,000 to \$15,000,000. This threshold limit was last increased in 2019. The State Bank Commissioner does not oppose this change.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Author: Senator Pettyjohn