

7/16/2007 - Sires And Biggert's F.D.I.C. Bill Passes In The House

Legislation prevents the defrauding of consumers

For Immediate Release

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(Washington, D.C.) - Today, the House of Representatives passed H.R. 2547, the FDIC Enforcement Enhancement Act, introduced by Congressman Albio Sires (D-NJ) and Congresswoman Judy Biggert (R-IL), which protects the good name of the Federal Deposit Insurance Corporation, as well as the millions of consumers who put their trust in the federal agency.

"This important consumer protection legislation is necessary to safeguard the name of one of the most recognized federal agencies in the country," said Congressman Sires. "We hear all types of stories about trademarks registered to a specific company being used inappropriately, and we had the same situation going on with the FDIC. This bill allows them to go after the perpetrators and protect millions of consumers."

The good name of the FDIC and the guarantees it affords investors is many times an important factor in the decision making process for consumers. The federal agency had identified schemes to defraud depositors through the misuse of its name, abbreviation or logo, suggesting products are fully insured by the FDIC when they are not. The federal agency was powerless against violators who operated outside the deposit insurance system.

H.R. 2547 allows the FDIC to go after these abuses, by granting it the authority to enter cease and desist orders against the perpetrators and impose penalties of up to \$1 million per day on any person who falsely represents the FDIC. This bill also allows the FDIC to file an injunction against the people or companies misrepresenting it under the rules of any federal, state, foreign court or competent jurisdiction.

"Often times the elderly become the victims of these scams. Their trust in the FDIC has been a factor in falling for tricks that rob them of their life savings. This bill will allow the FDIC to protect its good name and restore the trust, that for decades, consumers have had in this essential financial institution," said Congressman Sires.

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