Depository Institutions Deregulation and Monetary Control Act

The Depository Institutions Deregulation and Monetary Control Act of 1980 (H.R. 4986, Pub.L. 96–221) (often abbreviated DIDMCA or MCA) is a United States federal financial statute passed in 1980 and signed by President Jimmy Carter on March 31st.[1] It gave the Federal Reserve greater control over non-member banks.

- It forced all banks to abide by the Fed's rules.
- It allowed banks to merge.
- It removed the power of the Federal Reserve Board of Governors under the Glass–Steagall Act to use Regulation Q to set maximum interest rates for any deposit accounts other than demand deposit accounts (with a six-year phase-out).[2]
- It allowed Negotiable Order of Withdrawal accounts to be offered nationwide.[2]
- It raised the deposit insurance of US banks and credit unions from $40,000 to $100,000.
- It allowed credit unions and savings and loans to offer checkable deposits.
- It allowed institutions to charge any loan interest rates they choose.[3][4]
- It required that banks be charged Fed Float for use of funds received before clearing between depository institutions.

References


Source: http://en.wikipedia.org/wiki/Depository_Institutions_Deregulation_and_Monetary_Control_Act
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