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

1. http://www.presidency.ucsb.edu/ws/index.php?pid=33206#axzz1mquUfO88
2. Gilbert, Alton. "Requiem for Regulation Q: What It Did and Why It Passed Away", Federal Reserve Bank of St. Louis: pp. 31-33. [1]
3. Michelle Minton, The Community Reinvestment Act’s Harmful Legacy, How It Hampers Access to Credit, Competitive Enterprise Institute, No. 132, March 20, 2008.
4. John Atlas and Peter Dreier, The Conservative Origins of the Sub-Prime Mortgage Crisis, The American Prospect, December 18, 2007.

Source: http://en.wikipedia.org/wiki/Depository_Institutions_Deregulation_and_Monetary_Control_Act
April, 2014