

Union Calendar No. 314

119TH CONGRESS
1ST SESSION

H. R. 3234

[Report No. 119-362]

To amend the Federal Deposit Insurance Act to modify the amount of reciprocal deposits of an insured depository institution that are not considered to be funds obtained by or through a deposit broker, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2025

Mr. EMMER (for himself, Mrs. BEATTY, Mr. MEUSER, and Ms. MOORE of Wisconsin) introduced the following bill; which was referred to the Committee on Financial Services

NOVEMBER 4, 2025

Additional sponsors: Mr. BARR, Mr. FLOOD, Mr. WILLIAMS of Texas, Mr. EZELL, Mr. SESSIONS, Mr. GOLDEN of Maine, Mr. BERGMAN, and Mr. ROGERS of Alabama

NOVEMBER 4, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on May 7, 2025]

A BILL

To amend the Federal Deposit Insurance Act to modify the amount of reciprocal deposits of an insured depository institution that are not considered to be funds obtained by or through a deposit broker, 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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Keeping Deposits Local*
 5 *Act”.*

6 **SEC. 2. AMOUNT OF RECIPROCAL DEPOSITS THAT ARE NOT**
 7 **CONSIDERED TO BE FUNDS OBTAINED BY OR**
 8 **THROUGH A DEPOSIT BROKER.**

9 *Section 29(i) of the Federal Deposit Insurance Act (12*
 10 *U.S.C. 1831f(i)) is amended by striking paragraph (1) and*
 11 *inserting the following:*

12 “(1) *IN GENERAL.—The sum of the following*
 13 *amounts of reciprocal deposits of an agent institution*
 14 *shall not be considered to be funds obtained, directly*
 15 *or indirectly, by or through a deposit broker:*

16 “(A) *An amount equal to 50 percent of the*
 17 *portion of the total liabilities of the agent insti-*
 18 *tution that is less than or equal to*
 19 *\$1,000,000,000.*

20 “(B) *An amount equal to 40 percent of the*
 21 *portion, if any, of the total liabilities of the*
 22 *agent institution that is greater than*
 23 *\$1,000,000,000, but less than or equal to*
 24 *\$10,000,000,000.*

1 “(C) *An amount equal to 30 percent of the*
 2 *portion, if any, of the total liabilities of the*
 3 *agent institution that is greater than*
 4 *\$10,000,000,000, but less than or equal to*
 5 *\$250,000,000,000.”.*

6 **SEC. 3. DEFINITION OF AGENT INSTITUTION.**

7 *Section 29(i)(2)(A)(i) of the Federal Deposit Insurance*
 8 *Act (12 U.S.C. 1831f(i)(2)(A)(i)) is amended by striking*
 9 *subclause (I) and inserting the following:*

10 “(I) *when most recently examined*
 11 *under section 10(d) was assigned a*
 12 *CAMELS rating of 1, 2, or 3 under*
 13 *the Uniform Financial Institutions*
 14 *Rating System (or an equivalent rat-*
 15 *ing under a comparable rating sys-*
 16 *tem); and”.*

17 **SEC. 4. RECIPROCAL DEPOSITS STUDY.**

18 (a) *IN GENERAL.—The Federal Deposit Insurance*
 19 *Corporation, in consultation with the Board of Governors*
 20 *of the Federal Reserve System, shall carry out a study on*
 21 *reciprocal deposits.*

22 (b) *CONTENTS.—The study required under subsection*
 23 *(a) shall include—*

24 (1) *an analysis of how reciprocal deposits have*
 25 *performed since 2018, which shall include—*

1 (A) the use of quantitative and qualitative
2 data;

3 (B) a breakdown of the usage of reciprocal
4 deposits by size of insured depository institution;

5 (C) the usage of reciprocal deposits during
6 periods of stress; and

7 (D) an analysis, to the extent practicable, of
8 end-user depositors, such as municipalities, busi-
9 nesses, and non-profit organizations, that drive
10 demand for reciprocal products;

11 (2) an analysis, to the extent practicable, of how
12 reciprocal deposits compare to other deposit arrange-
13 ments; and

14 (3) an analysis of the benefits and potential risks
15 of reciprocal deposits.

16 (c) *REPORT.*—Not later than 6 months after the date
17 of enactment of this Act, the Federal Deposit Insurance Cor-
18 poration shall issue a report to the Committee on Financial
19 Services of the House of Representatives and the Committee
20 on Banking, Housing, and Urban Affairs of the Senate con-
21 taining all findings and determinations made in carrying
22 out the report required under subsection (a).

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