IB

Union Calendar No. 405

119TH CONGRESS
2D SESSION

H. R. 6547

[Report No. 119–474]

To amend the Federal Deposit Insurance Act to provide an exception to the least-cost resolution requirement, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2025

Mr. FLOOD introduced the following bill; which was referred to the Committee on Financial Services

FEBRUARY 2, 2026

Additional sponsors: Mr. FOSTER, Mr. ROSE, Mr. MOSKOWITZ, and Mr. LAWLER

FEBRUARY 2, 2026

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 italic]

[For text of introduced bill, see copy of bill as introduced on December 10, 2025]

A BILL

To amend the Federal Deposit Insurance Act to provide an exception to the least-cost resolution requirement, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Least Cost Exception Act".

SEC. 2. LEAST COST RESOLUTION EXCEPTION TO AVOID FURTHER CONCENTRATION AMONG GLOBAL SYSTEMICALLY IMPORTANT BANKING ORGANIZATIONS.

(a) IN GENERAL.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—

(1) in subparagraph (A)(ii), by inserting "except as provided in subparagraph (I)," before "the total amount";

(2) in subparagraph (E)(i), by inserting "and except as provided in subparagraph (I)," after "appropriate,"; and

(3) by adding at the end the following:

"(I) LEAST COST RESOLUTION EXCEPTION.—

"(i) IN GENERAL.—With respect to an exercise of authority by the Corporation described in subparagraph (A), the Corporation may, at the discretion of the Corporation, select an alternative method of exer-

cising such authority that is not the least costly to the Deposit Insurance Fund, if—

"(I) the Corporation determines that the selected alternative complies with the requirements of clause (iii); and

"(II) the Corporation and the Board of Governors of the Federal Reserve System, after consultation with the Secretary of the Treasury, determine that the potential additional risks to the Deposit Insurance Fund of the selected alternative are outweighed by the reasonably expected benefits of limiting further concentration of the United States banking system in global systemically important banking organizations.

"(ii) MAXIMUM COST TO THE DEPOSIT INSURANCE FUND.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation, by rule, shall establish criteria for determining on a case-by-case basis the maximum allowable cost against the net worth of the Deposit Insur-

ance Fund that may be utilized to account for any determination under clause (i).

"(iii) REQUIREMENTS DESCRIBED.—The requirements for the selected alternative described in clause (i) are as follows:

"(I) The selected alternative is least costly to the Deposit Insurance Fund of all alternatives that do not involve a transaction with a global systemically important banking organization and that do not exceed the cost of liquidating the insured depository institution.

"(II) The difference between the cost of the selected alternative and the cost of a covered alternative is less than the maximum cost to the Deposit Insurance Fund specified pursuant to the rule adopted under clause (ii).

"(III) In the case of a selected alternative that involves another person purchasing assets of the insured depository institution or assuming deposit liabilities of the insured depository institution, such person agrees to pay an

assessment to the Corporation comprised of payments—

"(aa) made over a period to be determined by the Corporation, but which may not be less than 5 years; and

"(bb) in an amount that takes into account, on a case-by-case basis, criteria the Corporation, by rule, shall establish, including a realistic discount rate, the aggregate amount equal to the difference calculated in subclause (II), and any bid inconsistent with the purposes of this Act, with such rule to be established by the Corporation not later than 1 year after the date of enactment of this subparagraph.

"(iv) REPORT TO CONGRESS.—Not later than 30 days after selecting an alternative described in clause (i), the Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking,

Housing, and Urban Affairs of the Senate containing an analysis of the economic difference between the cost to the Deposit Insurance Fund of the selected alternative and the cost to the Deposit Insurance Fund of the least costly alternative that would have been selected absent the application of this subparagraph.

“(v) COST DETERMINATIONS.—All cost determinations required under this subparagraph shall be made in accordance with subparagraphs (B) and (C).

“(vi) DEFINITIONS.—In this subparagraph:

“(I) COVERED ALTERNATIVE.—The term ‘covered alternative’ means a method of exercising authority described in subparagraph (A) that is the least costly to the Deposit Insurance Fund of all such methods that involve a sale of all or substantially all assets of the insured depository institution to, and assumption of all or substantially all deposit liabilities of the insured depository institution by, a global sys-

temically important banking organization.

"(II) GLOBAL SYSTEMICALLY IMPORTANT BANKING ORGANIZATION.—The term 'global systemically important banking organization' means a global systemically important BHC (as such term is defined in section 217.402 of title 12, Code of Federal Regulations, or any successor thereto) and any affiliate thereof.".

(b) RULE OF CONSTRUCTION.—Section 13(c)(4)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(H)) does not apply to the amendments made by subsection (a).

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