

Suspend the Rules and Pass the Bill, H.R. 5317, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

119TH CONGRESS
2^D SESSION

H. R. 5317

To amend the Federal Deposit Insurance Act to ensure that certain custodial deposits of well capitalized insured depository institutions are not considered to be funds obtained by or through deposit brokers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 11, 2025

Mr. HILL of Arkansas introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Deposit Insurance Act to ensure that certain custodial deposits of well capitalized insured depository institutions are not considered to be funds obtained by or through deposit brokers, 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 “Community Bank De-
5 posit Access Act of 2025”.

1 **SEC. 2. LIMITED EXCEPTION FOR CUSTODIAL DEPOSITS.**

2 (a) IN GENERAL.—Section 29 of the Federal Deposit
3 Insurance Act (12 U.S.C. 1831f) is amended by adding
4 at the end the following:

5 “(j) LIMITED EXCEPTION FOR CUSTODIAL DEPOS-
6 ITS.—

7 “(1) IN GENERAL.—Custodial deposits of an el-
8 igible institution shall not be considered to be funds
9 obtained, directly or indirectly, by or through a de-
10 posit broker to the extent that the total amount of
11 such custodial deposits does not exceed an amount
12 equal to 20 percent of the total liabilities of the eligi-
13 ble institution.

14 “(2) DEFINITIONS.—In this subsection:

15 “(A) CUSTODIAL DEPOSIT.—The term
16 ‘custodial deposit’ means a deposit that is not
17 deposited at an insured depository institution in
18 return for fees paid by the insured depository
19 institution pursuant to an agreement with a
20 third party and that would otherwise be consid-
21 ered to be obtained, directly or indirectly, by or
22 through a deposit broker, if the deposit is de-
23 posited at 1 or more insured depository institu-
24 tions, for the purpose of providing or maintain-
25 ing deposit insurance for the benefit of a third
26 party, by or through any of the following, each

1 acting in a formal custodial or fiduciary capac-
2 ity for the benefit of a third party:

3 “(i) An insured depository institution
4 serving as agent, trustee, or custodian.

5 “(ii) A trust entity controlled by an
6 insured depository institution serving as
7 agent, trustee, or custodian.

8 “(iii) A State-chartered trust company
9 serving as agent, trustee, or custodian.

10 “(iv) A plan administrator or invest-
11 ment advisor, acting in a formal custodial
12 or fiduciary capacity for the benefit of a
13 plan.

14 “(B) ELIGIBLE INSTITUTION.—The term
15 ‘eligible institution’ means an insured depository
16 institution that accepts custodial deposits,
17 if the insured depository institution has less
18 than \$10,000,000,000 in total assets as re-
19 ported on the consolidated report of condition
20 and income as reported quarterly to the appro-
21 priate Federal banking agency and—

22 “(i)(I) when most recently examined
23 under section 10(d) was assigned a com-
24 posite rating of 1, 2, or 3 under the Uni-
25 form Financial Institutions Rating System

1 (or an equivalent rating under a com-
2 parable rating system); and

3 “(II) is well capitalized; or

4 “(ii) has obtained a waiver pursuant
5 to subsection (c).

6 “(C) PLAN.—The term ‘plan’ has the
7 meaning given the term in section 3 of the Em-
8 ployee Retirement Income Security Act of 1974
9 (29 U.S.C. 1002).

10 “(D) PLAN ADMINISTRATOR.—The term
11 ‘plan administrator’ has the meaning given the
12 term ‘administrator’ in section 3 of the Em-
13 ployee Retirement Income Security Act of 1974
14 (29 U.S.C. 1002).

15 “(E) WELL CAPITALIZED.—The term ‘well
16 capitalized’ has the meaning given the term in
17 section 38(b).”

18 (b) INTEREST RATE RESTRICTION.—Section 29 of
19 the Federal Deposit Insurance Act (12 U.S.C. 1831f), as
20 amended by subsection (a), is further amended by adding
21 at the end the following:

22 “(k) RESTRICTION ON INTEREST RATE PAID ON
23 CERTAIN CUSTODIAL DEPOSITS.—

24 “(1) DEFINITIONS.—In this subsection—

1 “(A) the terms ‘custodial deposit’, ‘eligible
2 institution’, and ‘well capitalized’ have the
3 meanings given those terms in subsection (j);
4 and

5 “(B) the term ‘covered insured depository
6 institution’ means an insured depository institu-
7 tion that while acting as an eligible institution
8 under subsection (j), accepts custodial deposits
9 while not well capitalized.

10 “(2) PROHIBITION.—A covered insured depository
11 institution may not pay a rate of interest on
12 custodial deposits that are accepted while not well
13 capitalized that, at the time the funds or custodial
14 deposits are accepted, significantly exceeds the limit
15 set forth in paragraph (3).

16 “(3) LIMIT ON INTEREST RATES.—The limit on
17 the rate of interest referred to in paragraph (2) shall
18 be not greater than—

19 “(A) the rate paid on deposits of similar
20 maturity in the normal market area of the cov-
21 ered insured depository institution for deposits
22 accepted in the normal market area of the cov-
23 ered insured depository institution; or

24 “(B) the national rate paid on deposits of
25 comparable maturity, as established by the Cor-

1 poration, for deposits accepted outside the nor-
2 mal market area of the covered insured deposi-
3 tory institution.”.

4 **SEC. 3. DISCRETIONARY SURPLUS FUND.**

5 (a) **IN GENERAL.**—The dollar amount specified
6 under section 7(a)(3)(A) of the Federal Reserve Act (12
7 U.S.C. 289(a)(3)(A)) is reduced by \$4,000,000.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 subsection (a) shall take effect on September 1, 2036.