

MEMORANDUM

TO: Members of the Committee on Financial Services

FROM: Committee Majority Staff

DATE: November 13, 2025

SUBJECT: November 18, 2025, Full Committee Hearing: “The Future of Deposit Insurance: Exploring the Coverage, Costs, and Depositor Confidence”

On Tuesday, November 18, 2025, at 10:00 a.m., the House Committee on Financial Services will hold a hearing in Room 2128 of the Rayburn House Office Building, titled “The Future of Deposit Insurance: Exploring the Coverage, Costs, and Depositor Confidence.” The following witnesses will testify:

- **Mr. James “Jim” Ryan**, Chairman and CEO, Old National Bancorp
- **Mrs. Jill Castilla**, President and CEO, Citizens Bank of Edmond
- **Mr. Chris Furlow**, President and CEO, Texas Bankers Association
- **Mr. Grover Norquist**, Founder and President, Americans for Tax Reform
- **Mr. Jarryd E. Anderson**, Partner and Co-Chair, Financial Services Group, Paul, Weiss, Rifkind, Wharton & Garrison LLP

This hearing will provide a comprehensive overview of the deposit and share insurance frameworks in the United States. It will explore the structure, function, and effectiveness of these frameworks in safeguarding depositors and promoting financial stability. The discussion will highlight the roles and responsibilities of the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA), the scope and limits of insurance coverage, and the funding mechanisms that support the deposit and share insurance funds. The hearing also will assess potential reforms and key policy considerations.

Legislation Noticed

1. **H.R. _____, to require the FDIC and NCUA to carry out an analysis to determine whether insurance coverage should be raised on covered transaction accounts, and for other purposes:** This discussion draft directs the FDIC and NCUA, respectively, to conduct studies on the scope, impact, and advisability of increased deposit insurance limits for low-to-no interest transaction accounts of businesses, non-profits, municipalities, and other similar organizations and to make the data and results of those studies publicly available.
2. **H.R. _____, the Growing Deposit Insurance for the Future Act:** This discussion draft makes updates to existing statutory language that requires the FDIC and NCUA to update the standard maximum deposit insurance amount (SMDIA) every five years to index for inflation. Current statutory language indexes the pre-Dodd Frank Act SMDIA of

\$100,000, making it functionally ineffective until an indeterminate date in the future. This bill updates the statutory indexing language to match the current SMDIA of \$250,000 and mandates indexing from that level every five years.

3. **H.R. _____, *to authorize the FDIC and NCUA to establish emergency transaction account guarantee programs, and for other purposes*:** This discussion draft allows the FDIC and NCUA, respectively, to establish a temporary transaction account guarantee (TAG) program if authorized by a two-thirds majority of both the FDIC (or NCUA) and Federal Reserve Board and provided sign-off from the Secretary of the Treasury after consultation with the President. The initial duration of the program would be six months, with a single extension of three months allowed. Any further extensions require authorization from Congress. The Secretary of the Treasury, the Chairman of the Federal Reserve, and the Chairman of the FDIC (or NCUA) would be required to provide testimony to Congress following a TAG program's creation and the Government Accountability Office would review the program and provide a report to Congress.
4. **H.R. 4551, *the Employee Paycheck and Small Business Protection Act (Waters)*:** This bill requires the FDIC and NCUA to conduct a rulemaking to raise deposit insurance limits, up to a maximum of \$100 million. The bill also allows the FDIC and NCUA to establish a temporary TAG program if authorized by a two-thirds majority of both the FDIC (or NCUA) and Federal Reserve Board and provided sign-off from the Secretary of the Treasury after consultation with the President.
5. **H.R. _____, *the Enhancing Bank Resolution Participation Act (Huizenga)*:** This discussion draft directs the Office of the Comptroller of the Currency (OCC) and FDIC, in consultation with the Federal Reserve, to jointly study the OCC's use of shelf charters, including conditional or preliminary shelf charter approvals granted since 2008; the FDIC's use of the modified bidder qualification process; whether shelf charters and modified bidder qualification processes were considered in connection with the 2023 bank failures; and the extent to which greater use of shelf charters may provide benefits to competition and financial stability, as well as to expand the pool of bidders and protect the Deposit Insurance Fund (DIF).
6. **H.R. _____, *the Least Cost Exception Act (Flood)*:** This discussion draft allows the FDIC to waive the least-cost resolution if the agency determines the following: the selected alternative is the least costly to the DIF of all alternatives that do not include a transaction with a global systemically important bank and do not exceed the cost of liquidating the institution; the cost to the DIF of the selected alternative is no greater than 10 percent of the net worth of the DIF; and the person purchasing assets or assuming liabilities of the institution agrees to pay an additional assessment to the DIF; and the Federal Reserve, in consultation with the Treasury Secretary, determines that the potential risks are outweighed by the reasonably expected benefits of limiting further concentration in the banking system. The FDIC is required to submit a report to Congress within 30 days of selecting an alternative.

7. **H.R. _____, *the Failing Bank Acquisitions Fairness Act (Lynch)*:** This discussion draft restricts the circumstances under which a Federal banking agency can waive the 10 percent concentration limit on deposits and liabilities for large banks when they acquire failed banks if the agency determines that the waiver is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and if the FDIC has not received an application or bid from another acquirer not subject to the concentration limit that could be approved in a timely manner under applicable law. Whenever a federal banking agency waives a concentration limit, the waiving agency and the FDIC are required to submit a written report to Congress within 30 days containing a justification for the waiver, a description of the alternative bids considered, and other information.