

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

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

M____. _____ introduced the following bill; which was referred to the
Committee on _____

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 would
17 otherwise be considered to be obtained, directly
18 or indirectly, by or through a deposit broker, if
19 the deposit is deposited at 1 or more insured
20 depository institutions, for the purpose of pro-
21 viding or maintaining deposit insurance for the
22 benefit of a third party, by or through any of
23 the following, each acting in a formal custodial
24 or fiduciary capacity for the benefit of a third
25 party:

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

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

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

8 “(iv) A plan administrator or invest-
9 ment advisor, acting in a formal custodial
10 or fiduciary capacity for the benefit of a
11 plan, as defined in section 3 of the Em-
12 ployee Retirement Income Security Act of
13 1974 (29 U.S.C. 1002).

14 “(B) ELIGIBLE INSTITUTION.—The term
15 ‘eligible institution’ means an insured deposi-
16 tory institution that accepts custodial deposits,
17 that were not deposited at the insured deposi-
18 tory institution in return for fees paid by the
19 insured depository institution pursuant to an
20 agreement with a third party, if the insured de-
21 pository institution—

22 “(i) has less than \$10,000,000,000 in
23 total assets as reported on the consolidated
24 report of condition and income as reported

1 quarterly to the appropriate Federal bank-
2 ing agency;

3 “(ii)(I) when most recently examined
4 under section 10(d) was found to have a
5 composite condition of outstanding or
6 good; and

7 “(II) is well capitalized; or

8 “(iii) has obtained a waiver pursuant
9 to subsection (c).

10 “(C) 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 “(D) 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) is
20 amended by striking subsection (e) and inserting the fol-
21 lowing:

22 “(e) RESTRICTION ON INTEREST RATE PAID.—

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

24 “(A) the terms ‘custodial deposit’, ‘eligible
25 institution’, and ‘well capitalized’ have the

1 meanings given those terms in subsection (j);
2 and

3 “(B) the term ‘covered insured depository
4 institution’ means an insured depository institu-
5 tion that—

6 “(i) under subsection (c) or (d), ac-
7 cepts funds obtained, directly or indirectly,
8 by or through a deposit broker; or

9 “(ii) while acting as an eligible insti-
10 tution under subsection (j), accepts custo-
11 dial deposits while not well capitalized.

12 “(2) PROHIBITION.—A covered insured deposi-
13 tory institution may not pay a rate of interest on
14 funds that, under subsection (c) or (d), are obtained,
15 directly or indirectly, by or through a deposit broker
16 or on custodial deposits that are accepted while not
17 well capitalized that, at the time the funds or custo-
18 dial deposits are accepted, significantly exceeds the
19 limit set forth in paragraph (3).

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

23 “(A) the rate paid on deposits of similar
24 maturity in the normal market area of the cov-
25 ered insured depository institution for deposits

1 accepted in the normal market area of the cov-
2 ered insured depository institution; or
3 “(B) the national rate paid on deposits of
4 comparable maturity, as established by the Cor-
5 poration, for deposits accepted outside the nor-
6 mal market area of the covered insured deposi-
7 tory institution.”.