

119TH CONGRESS  
2D SESSION

# H. R. 3234

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## AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Keeping Deposits  
3 Local Act”.

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

7       Section 29(i) of the Federal Deposit Insurance Act  
8 (12 U.S.C. 1831f(i)) is amended by striking paragraph (1)  
9 and inserting the following:

10           “(1) IN GENERAL.—The sum of the following  
11 amounts of reciprocal deposits of an agent institu-  
12 tion shall not be considered to be funds obtained, di-  
13 rectly or indirectly, by or through a deposit broker:

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

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

23           “(C) An amount equal to 30 percent of the  
24 portion, if any, of the total liabilities of the  
25 agent institution that is greater than

1           \$10,000,000,000, but less than or equal to  
2           \$250,000,000,000.”.

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

4           Section 29(i)(2)(A)(i) of the Federal Deposit Insur-  
5     ance Act (12 U.S.C. 1831f(i)(2)(A)(i)) is amended by  
6     striking subclause (I) and inserting the following:

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

14 **SEC. 4. RECIPROCAL DEPOSITS STUDY.**

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

19           (b) CONTENTS.—The study required under sub-  
20     section (a) shall include—

21                         (1) an analysis of how reciprocal deposits have  
22                         performed since 2018, which shall include—

23                                 (A) the use of quantitative and qualitative  
24                                 data;

1 (B) a breakdown of the usage of reciprocal  
2 deposits by size of insured depository institu-  
3 tion;

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

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

10 (2) an analysis, to the extent practicable, of  
11 how reciprocal deposits compare to other deposit ar-  
12 rangements; and

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

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

1 **SEC. 5. DISCRETIONARY SURPLUS FUND.**

2 (a) IN GENERAL.—The dollar amount specified  
3 under section 7(a)(3)(A) of the Federal Reserve Act (12  
4 U.S.C. 289(a)(3)(A)) is reduced by \$28,000,000.

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

Passed the House of Representatives May 20, 2026.

Attest:

*Clerk.*

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

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