

119TH CONGRESS
2D SESSION

H. R. 3234

IN THE SENATE OF THE UNITED STATES

MAY 21, 2026

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

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: KEVIN F. MCCUMBER,
Clerk.