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114TH CONGRESS
2D SESSION

H. R. 6266

To amend the Federal Deposit Insurance Act to clarify the definition of a deposit broker, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2016

Mr. MCHENRY (for himself and Mr. FOSTER) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To amend the Federal Deposit Insurance Act to clarify the definition of a deposit broker, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO DEFINITION OF DEPOSIT BROKER.

Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended—

(1) in subsection (g)(2)—

(A) in subparagraph (H), by striking ‘‘or’’ at the end;

(B) in subparagraph (I), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following new subparagraph:

"(J) an affiliate of the insured depository institution, with respect to funds of an account or benefit plan described in section 3(a)(4)(B)(viii)(ee) of the Securities Exchange Act of 1934 for which the insured depository institution acts as custodian or directed trustee, to the extent the affiliate provides brokerage, advisory, or agency services to participants or beneficiaries of such account or benefit plan and such services result in the investment of the assets of such benefit plan or account as deposits of such insured depository institution."; and

(2) by adding at the end the following new subsection:

"(i) CONSIDERATION OF CERTAIN INFORMATION SHARED WITH AFFILIATES.—Information regarding deposit accounts shared by an insured depository institution with its affiliates that is a communication described under section 603(d)(2)(ii) of the Fair Credit Reporting Act shall not be a factor in determining whether—

"(1) an affiliate of an insured depository institution, including an individual employed by such affiliate, is considered to be a deposit broker; or

"(2) deposits resulting from referrals of customers to an affiliate of an insured depository institution are subject to the restrictions of subsections (a) and (b).".

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