

Mr. GOLDMAN of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

KEEPING DEPOSITS LOCAL ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3234) 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, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3234

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Keeping Deposits Local Act".

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

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

"(1) IN GENERAL.—The sum of the following amounts of reciprocal deposits of an agent institution shall not be considered to be funds obtained, directly or indirectly, by or through a deposit broker:

"(A) An amount equal to 50 percent of the portion of the total liabilities of the agent institution that is less than or equal to \$1,000,000,000.

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

"(C) An amount equal to 30 percent of the portion, if any, of the total liabilities of the

agent institution that is greater than \$10,000,000,000, but less than or equal to \$250,000,000,000."

SEC. 3. DEFINITION OF AGENT INSTITUTION.

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

"(I) when most recently examined under section 10(d) was assigned a CAMELS rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and"

SEC. 4. RECIPROCAL DEPOSITS STUDY.

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

(b) CONTENTS.—The study required under subsection (a) shall include—

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

(A) the use of quantitative and qualitative data;

(B) a breakdown of the usage of reciprocal deposits by size of insured depository institution;

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

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

(2) an analysis, to the extent practicable, of how reciprocal deposits compare to other deposit arrangements; and

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

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

SEC. 5. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal

Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by \$28,000,000.

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. HILL) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material for this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I include in the RECORD the CBO estimate for this bill.

Legislation Considered Under Suspension of the Rules

The Majority Leader of the House of Representatives announces bills that will be considered under suspension of the rules in that chamber. Under suspension, floor debate is limited, all floor amendments are prohibited, points of order against the bill are waived, and final passage requires a two-thirds majority vote.

At the request of the Majority Leader and the House Committee on the Budget, CBO estimates the effects of those bills on direct spending and revenues. CBO has limited time to review the legislation before consideration. Although it is possible in most cases to determine whether the legislation would affect direct spending or revenues, time may be insufficient to estimate the magnitude of those effects. If CBO has prepared estimates for similar or identical legislation, a more detailed assessment of budgetary effects, including effects on spending subject to appropriation, may be included.

EFFECTS ON DIRECT SPENDING AND REVENUES OF LEGISLATION CONSIDERED UNDER SUSPENSION OF THE RULES IN THE HOUSE OF REPRESENTATIVES

Week of May 18, 2026

Table with 6 columns: Bill Number, Title, Effect on Direct Spending, Effect on Revenues, Additional Information on Direct Spending and Revenue Effects, Link to Published Estimates. Row 1: H.R. 3234, Keeping Deposits Local Act of 2025, as amended, Increase by at Least \$500K, Increase by at Least \$500K, Would increase direct spending by \$27 million, increase revenues by \$27 million, and result in no increase in the deficit, N/A

Mr. HILL of Arkansas. Mr. Speaker, I rise in support of H.R. 3234, the Keeping Deposits Local Act, and I thank my longtime friend and our majority whip, TOM EMMER of Minnesota, and Congresswoman JOYCE BEATTY for their tremendous bipartisan leadership on this particular matter.

I also thank the ranking member of our full committee, the House Financial Services Committee, for her continued willingness to work across the aisle on cornerstone reforms that benefit our Nation's community banks.

Community banks are one of the most important economic drivers behind Main Street. They deserve a regulatory framework that encourages

them to compete, grow, and better serve their customers.

Reciprocal deposits are a proven tool that helps banks attract, retain, and diversify their funding sources while simultaneously giving depositors greater FDIC insurance coverage.

As a former community bank CEO, I personally used this service to help provide better service for important customers.

Right now, overly burdensome broker deposit regulations are standing in the way. Community banks, many of which operate with a limited branch network, are being penalized for using a funding tool that poses no meaningful risk to financial stability.

Majority Whip EMMER and Congresswoman BEATTY's bill addresses this issue. It allows community banks to accept a greater volume of reciprocal deposits before triggering the overly stringent broker deposit rules. This, in turn, frees up more capital to make loans in the communities they serve.

Additionally, as a bank's size increases, the threshold for reciprocal deposits that it may accept decreases, ensuring that oversight scales with risk.

The bill also directs the FDIC to study reciprocal deposits and report back to Congress, ensuring that we have the data to inform direction on deposit insurance policy.

This is the kind of smart, targeted reform that has been at the heart of my efforts to make community banking great again in our legislative agenda in this 119th Congress.

I am proud to support this bill by Mr. EMMER, and I urge my colleagues to do the same. Mr. Speaker, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3234, the Keeping Deposits Local Act, sponsored by Representative EMMER and our former Diversity and Inclusion Subcommittee chairwoman, Mrs. JOYCE BEATTY.

I appreciate the sponsors' bipartisan work on this bill. In 2018, I worked with them to establish the initial framework for the so-called reciprocal deposits.

When a business comes to a bank and deposits, say, \$1 million to cover payroll and other expenses, the FDIC only ensures up to \$250,000.

To help these customers receive deposit insurance on all of their deposits, banks can send a deposit over the \$250,000 cap to another bank in exchange for a separate deposit from the receiving bank, which is known as a reciprocal deposit.

The product has become popular, especially after the dramatic failures of Silicon Valley Bank and two other regional banks in 2023 because businesses wanted to make sure they don't have any uninsured deposits. This bill would increase the limits we set back in 2018 based on a bank's size.

Now, megabanks don't need our help because they are, unfortunately, still perceived as too big to fail. In fact, a number of small businesses moved their deposits to megabanks after the 2023 regional bank failures.

I appreciate that the chairman and the sponsors worked with me to address my concerns that an earlier version of this bill would have been a windfall for megabanks. It has been revised to ensure the bill prioritizes support for smaller community and midsize banks like MDIs and CDFI banks.

There is more that we should do than just this bill. Since 2007, there have been at least 37 bank failures where emergency tools were not used to protect depositors because the bank was too small. As a result, small business customers with more than \$250,000 lost money through no fault of their own when their bank failed. That is not fair.

After convening a roundtable with industry experts and consulting extensively with our former chairman, Mr. McHenry, I introduced my bill, H.R. 4551, the Employee Paycheck and Small Business Protection Act.

Under my bill, the government would take a data-driven approach, conduct an extensive analysis, and then propose an increase to the \$250,000 deposit insurance threshold for business payment accounts. There would be multiple op-

portunities for stakeholders to weigh in as the proposal gets developed, with extensive congressional oversight.

Furthermore, my bill would allow regulators to do an emergency Transaction Account Guarantee, or TAG, program for up to 9 months, just like the FDIC did in the 2008 crisis, to protect depositors from harm in a major crisis.

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My bill would help protect all small businesses and their employees while helping community banks and credit unions better serve their communities. This concept has broad support, including several House Republicans recently introducing their own bills, along with a bipartisan effort in the Senate. Moreover, Vice President VANCE and Treasury Secretary Bessent are strongly supportive of these efforts.

In a letter from when we marked up this bill we are considering today, the Independent Community Bankers of America wrote: "ICBA looks forward to working with the committee on the broader, comprehensive deposit insurance coverage level debate and ensuring more small businesses can have important protection for their deposits."

We should do more, Mr. Speaker, but in the meantime, I urge my colleagues to support H.R. 3234, which will complement broader deposit insurance reform efforts.

Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I want to recognize the author of this important bill from the Republican side that helps our community banks better serve their customers through a diverse approach to deposit insurance.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. EMMER), who is the majority whip of the Republican-led House.

Mr. EMMER. Mr. Speaker, I thank Chairman HILL for yielding.

Mr. Speaker, reciprocal deposits are secure, fully FDIC-insured deposits that enable community banks to retain local funds, while at the same time ensuring those deposits remain protected.

In 2018, Congress enacted nonpartisan legislation recognizing that most reciprocal deposits should not be treated as brokered deposits. I was proud to lead that initiative then, and I am proud to build on that progress with the bill before us today.

Since the enactment of S. 2155 nearly 8 years ago, many banks have turned to these low-cost, core deposits, as they have approached the current limits of the lesser of \$5 billion or 20 percent of total liabilities.

In response, my colleague, Representative BEATTY, and I introduced the Keeping Deposits Local Act, a nonpartisan bill that updates existing thresholds so that community and regional banks can more easily qualify for nonbrokered treatment of reciprocal deposits.

Simply put, this bill brings our laws in line with today's economic realities.

It gives banks much-needed flexibility and offers local communities better access to capital, all while making our banking system more resilient.

I thank Chairman HILL for his tireless work and advocacy on this issue, and I encourage all of our colleagues to support this bill. Let's give our local banks the tools they need to grow, compete, and invest in Main Street.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Mrs. BEATTY), who is the co-lead on the bill.

Mrs. BEATTY. Mr. Speaker, I rise in support of my bill, H.R. 3234, the Keeping Deposits Local Act, which I am very proud to co-lead with Congressman EMMER.

This bill modernizes the treatment of reciprocal deposits to help small banks and midsize banks improve liquidity, increase local community lending, and better compete for larger accounts, all without jeopardizing the safety and the soundness of our financial system.

Following the bank failures in 2023, we have seen many banks turn to reciprocal deposits to meet consumer demand, to increase their insured deposits, and, really, to prevent capital flight.

However, community banks across the country and regional banks like in my home district, banks like Huntington, Fifth Third, and KeyBank are quickly running up against the current \$5 billion or 20 percent threshold that was established in 2018.

This means that they are limited in their capacity to attract deposits from nonprofits, small businesses, and local governments and municipalities that want to support economic and community development.

To solve this problem, this bill replaces the current cap with a tiered system to ensure that the greatest benefit goes to the banks that need it the most: minority depository institutions, MDIs; community development financial institutions, or CDFIs; and inner-city, rural, and small banks at the front lines of providing financial services to underserved communities.

Mr. Speaker, increasing nonbrokered treatment of reciprocal deposits will greatly support these institutions by allowing them to access stable funding to help finance affordable housing projects, small business loans, and community infrastructure.

That is why I am proud to say that this bill has the support of the Ohio Bankers League and the Ohio regional banks. It is a bipartisan bill.

Mr. Speaker, I thank our chairman, Congressman HILL, and I thank my ranking member, Congresswoman MAXINE WATERS, for supporting and pushing this bill forward. I urge my colleagues to support the passage of this bill.

Mr. HILL of Arkansas. Mr. Speaker, I am prepared to close, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I have no further speakers, and I yield myself the balance of my time to close.

Mr. Speaker, this is a good bill that will help community banks. The bill is supported by the National Bankers Association and the Community Development Bankers Association, and I am very pleased to support it.

As we have discussed, there is more Congress can do to update the deposit insurance reform framework to ensure it is working for community banks, for midsize banks, for MDIs and CDFIs, for rural banks, and all of their customers, especially the small businesses, non-profits, churches, and other organizations and their workers.

Let's pass comprehensive deposit insurance reform into law without further delay. In the meantime, I, again, urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I thank, again, Whip EMMER and Mrs. BEATTY for their tireless work on this. It has taken a lot of years of collaboration between both parties on both sides of the aisle to find a path to move this bill forward, and we couldn't have done it without the hard work of the gentleman from Minnesota and the gentlewoman from Ohio. I am grateful for their work.

I recommend everybody on both sides of the aisle support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 3234, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HILL of Arkansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

AMERICAN ACCESS TO BANKING ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4544) to direct certain Federal banking and credit union agencies to promote the formation of de novo regulated institutions through the review of application processes, the review of capital raising by de novo regulated institutions, and the establishment of various outreach programs, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4544

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Access to Banking Act".

SEC. 2. STREAMLINING APPLICATION PROCESS AND REVIEW OF CAPITAL RAISING BY DE NOVO REGULATED INSTITUTIONS.

(a) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall—

(1) for the purpose of streamlining the process of applying to become a de novo regulated institution, conduct a review of any application forms related to such process;

(2) to the extent practicable, gather information needed from applicants seeking to become a de novo regulated institution from other Federal Government agencies or public sources to minimize information requests of such applicants; and

(3) in consultation with the Securities and Exchange Commission, review how de novo regulated institutions raise capital while maintaining investor protections, including the impact of—

(A) general capital raising restrictions; and
(B) capital raising restrictions related to individuals who are not accredited investors.

(b) REPORT.—Not later than 1 year after the date of the enactment of this section, and annually for 5 years thereafter, each of the Federal financial institutions regulatory agencies shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and publish on a public website of such agency a report that contains—

(1) a description of the actions taken by such agency pursuant to subsection (a); and

(2) as appropriate, any administrative or legislative recommendations with respect to the purpose described in subsection (a)(3).

SEC. 3. IMPROVING COMMUNICATION WITH DE NOVO REGULATED INSTITUTIONS.

(a) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall, at the request of an applicant to become a de novo regulated institution, designate an employee of the agency as a caseworker, who may perform such duty in addition to the other duties of the employee.

(b) CASEWORKER DUTIES.—Each caseworker described in subsection (a) shall, to the maximum extent practicable—

(1) meet with the lead organizers applying to become a de novo regulated institution to provide a tutorial with respect to the application process; and

(2) be the primary point of contact of the respective Federal financial institutions regulatory agency for such organizers during the application process.

(c) NEW CASEWORKER.—Each agency described in subsection (a) may designate a new caseworker, as appropriate, to support continuity based on staffing and responsibilities assigned to the current caseworker.

SEC. 4. DE NOVO MENTOR-PROTÉGÉ PARTNERSHIPS.

(a) IN GENERAL.—At the request of an institution that seeks to become a de novo regulated institution, each of the Federal financial institutions regulatory agencies shall, to the maximum extent practicable, provide a list to such institution of similar types of institutions that—

(1) were recently approved to become a de novo regulated institution; and

(2) are interested in volunteering to serve as a mentor to provide advice about the de novo application process.

(b) MENTORSHIP INFORMATION.—Not later than 1 year after the date of the enactment of this section, each of the Federal financial institutions regulatory agencies shall provide public information and directions on how an institution may request a mentor or serve as a mentor as described in subsection (a).

SEC. 5. STATE AND STAKEHOLDER ENGAGEMENT PLAN.

(a) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall develop a plan to—

(1) regularly consult with State regulators to promote cooperation between State and Federal banking and credit union agencies in the creation of de novo regulated institutions, including responding to any State regulator that requests assistance on how a State-chartered financial institution can request Federal insurance;

(2) regularly consult with stakeholders, including applicants to become de novo regulated institutions and recently approved regulated institutions, to inform any reforms that may support the creation of de novo regulated institutions, including rural institutions, community development financial institutions, and minority depository institutions; and

(3) provide guidance, training material, and regular workshops to assist any interested parties to understand such agencies processes.

(b) SUBMISSION TO CONGRESS.—

(1) IN GENERAL.—Not later than 2 years after the date of the enactment of this section, and every 5 years thereafter, each of the Federal financial institutions regulatory agencies shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate the respective plan of such agency described in subsection (a).

(2) PUBLIC COMMENT.—With respect to developing the plan described in subsection (a), each of the Federal financial institutions regulatory agencies shall—

(A) provide an opportunity for public comments; and

(B) take such public comments into consideration.

SEC. 6. DEFINITIONS.

(a) IN GENERAL.—In this Act:

(1) FEDERAL BANKING AGENCY.—The term "Federal banking agency" has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.—The term "Federal financial institutions regulatory agencies" has the meaning given the term in section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302).

(3) REGULATED INSTITUTION.—The term "regulated institution" means—

(A) with respect to a Federal banking agency, a depository institution (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) for which the Federal banking agency is the appropriate Federal banking agency (as such term is defined in such section 3); and

(B) with respect to the National Credit Union Administration, an insured credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(4) STATE.—The term "State" means each of the several States, the District of Columbia, and each territory of the United States.

(5) STATE REGULATOR.—The term "State regulator" means—

(A) with respect to a Federal banking agency, a State banking regulator; and

(B) with respect to the National Credit Union Administration, the State regulatory agency having jurisdiction over a State credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(b) RULE OF CONSTRUCTION.—For purposes of this Act, the process of applying to become a de novo regulated institution shall include the process of applying for Federal