

114TH CONGRESS
1ST SESSION

H. R. 4116

To amend the Federal Deposit Insurance Act to ensure that the reciprocal deposits of an insured depository institution are not considered to be funds obtained by or through a deposit broker, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2015

Ms. MOORE (for herself and Mr. EMMER of Minnesota) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Deposit Insurance Act to ensure that the reciprocal deposits of an insured depository institution 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,*

3 **SECTION 1. LIMITED EXCEPTION FOR RECIPROCAL DEPOS-**
4 **ITS.**

5 (a) IN GENERAL.—Section 29 of the Federal Deposit
6 Insurance Act (12 U.S.C. 1831f) is amended by adding
7 at the end the following new subsection:

1 “(i) LIMITED EXCEPTION FOR RECIPROCAL DEPOS-
2 ITS.—

3 “(1) IN GENERAL.—Reciprocal deposits of an
4 insured depository institution shall not be considered
5 to be funds obtained, directly or indirectly, by or
6 through a deposit broker if—

7 “(A) when the institution was most re-
8 cently examined, its composite condition was
9 found to be outstanding or good; or

10 “(B) the total amount of such reciprocal
11 deposits does not exceed the lesser of—

12 “(i) \$10,000,000,000; or

13 “(ii) an amount equal to 20 percent of
14 the total liabilities of the insured depository
15 institution.

16 “(2) RULE OF CONSTRUCTION.—Nothing in
17 this subsection shall be construed to limit the au-
18 thority of the Corporation to require, on a case-by-
19 case basis, that an agent institution that is less than
20 adequately capitalized (as defined in section
21 38(b)(1)(B)) not accept particular types of deposits
22 upon finding that the acceptance of such deposits
23 constitutes an unsafe or unsound practice with re-
24 spect to such institution.

25 “(3) DEFINITIONS.—In this subsection:

1 “(A) AGENT INSTITUTION.—The term
2 ‘agent institution’ means an insured depository
3 institution that places a covered deposit
4 through a deposit placement network at other
5 insured depository institutions in amounts that
6 are less than or equal to the standard maximum deposit insurance amount, specifying the
7 interest rate to be paid for such amounts,
8 where the agent institution—

10 “(i) is well capitalized (as defined in
11 section 38(b)(1)(A)) or has obtained a
12 waiver pursuant to subsection (c) of this
13 section; or

14 “(ii) does not receive an amount of reciprocal deposits that causes the total
15 amount of reciprocal deposits held by the
16 agent institution to be greater than the average of the total amount of reciprocal deposits held by the agent institution on the
17 last day of each of the 4 calendar quarters
18 preceding the calendar quarter in which
19 the agent institution was determined to be
20 not well capitalized.

21 “(B) COVERED DEPOSIT.—The term ‘covered deposit’ means a deposit that—
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1 “(i) is submitted for placement
2 through a deposit placement network by an
3 agent institution; and

4 “(ii) does not consist of funds that
5 were obtained for the agent institution, di-
6 rectly or indirectly, by or through a deposit
7 broker before submission for placement
8 through a deposit placement network.

9 “(C) DEPOSIT PLACEMENT NETWORK.—
10 The term ‘deposit placement network’ means a
11 network in which an insured depository institu-
12 tion participates, together with other insured
13 depository institutions, for the processing and
14 receipt of reciprocal deposits.

15 “(D) NETWORK MEMBER BANK.—The
16 term ‘network member bank’ means an insured
17 depository institution that is a member of a de-
18 posit placement network.

19 “(E) RECIPROCAL DEPOSITS.—The term
20 ‘reciprocal deposits’ means deposits received by
21 an agent institution through a deposit place-
22 ment network with the same maturity (if any)
23 and in the same aggregate amount as covered
24 deposits placed by the agent institution in other
25 network member banks.”.

1 (b) APPLICABILITY.—Nothing in this Act shall be
2 construed to limit the application of any provision of the
3 Federal Deposit Insurance Act, other than section 29 of
4 such Act (12 U.S.C. 1831f), to an insured depository in-
5 stitution (as defined in section 3(c) of such Act (12 U.S.C.
6 1813(c))).

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