

119TH CONGRESS
1ST SESSION

S. 2999

To amend the Federal Deposit Insurance Act to provide deposit insurance for noninterest-bearing transaction accounts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 9, 2025

Mr. HAGERTY (for himself and Ms. ALSOBROOKS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Federal Deposit Insurance Act to provide deposit insurance for noninterest-bearing transaction accounts, 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. SHORT TITLE.**

4 This Act may be cited as the “Main Street Depositor
5 Protection Act”.

6 **SEC. 2. TRANSACTION ACCOUNT INSURANCE.**

7 (a) DEPOSITORY INSTITUTIONS.—

8 (1) IN GENERAL.—Section 11(a)(1) of the Fed-
9 eral Deposit Insurance Act (12 U.S.C. 1821(a)(1))

1 is amended by striking subparagraph (B) and insert-
 2 ing the following:

3 “(B) NET AMOUNT OF INSURED DE-
 4 POSIT.—

5 “(i) IN GENERAL.—The net amount
 6 due to any depositor at an insured deposi-
 7 tory institution shall not exceed the sum
 8 of—

9 “(I) the standard maximum de-
 10 posit insurance amount as determined
 11 in accordance with subparagraphs
 12 (C), (D), (E) and (F) and paragraph
 13 (3); and

14 “(II) the net amount under
 15 clause (ii).

16 “(ii) INSURANCE FOR NONINTEREST-
 17 BEARING TRANSACTION ACCOUNTS.—

18 “(I) IN GENERAL.—Except as
 19 provided in subclause (III), the Cor-
 20 poration shall insure the net amount,
 21 in an amount that is not more than
 22 \$10,000,000, that any depositor
 23 maintains, in the aggregate, in 1 or
 24 more noninterest-bearing transaction

1 accounts at an insured depository in-
2 stitution.

3 “(II) AGGREGATION.—For the
4 purpose of determining the net
5 amount due to any depositor under
6 subclause (I), the Corporation shall
7 aggregate the amounts of all deposits
8 in insured depository institutions that
9 are subsidiaries of a single depository
10 institution holding company.

11 “(III) EXCLUSION.—

12 “(aa) DEFINITION.—In this
13 subclause, the term ‘foreign
14 bank’ does not include any bank
15 organized under the laws of any
16 territory of the United States,
17 Puerto Rico, Guam, American
18 Samoa, or the Virgin Islands, the
19 deposits of which are insured by
20 the Corporation pursuant to this
21 Act.

22 “(bb) EXCLUSION.—The
23 Corporation may not insure
24 under subclause (I) amounts
25 maintained at—

1 “(AA) any insured de-
 2 pository institution that is a
 3 subsidiary of a bank holding
 4 company that is identified as
 5 a global systemically impor-
 6 tant BHC under section
 7 217.402 of title 12, Code of
 8 Federal Regulations (or any
 9 successor regulation); or

10 “(BB) any insured
 11 branch of a foreign bank.”.

12 (2) TECHNICAL AND CONFORMING AMEND-
 13 MENT.—Section 3(m) of the Federal Deposit Insur-
 14 ance Act (12 U.S.C. 1813(m)) is amended—

15 (A) in paragraph (1), by inserting “, in-
 16 cluding deposits in a noninterest-bearing trans-
 17 action account,” after “deposits”; and

18 (B) by adding at the end the following:

19 “(5) NONINTEREST-BEARING TRANSACTION AC-
 20 COUNT.—The term ‘noninterest-bearing transaction
 21 account’ means a deposit or account maintained at
 22 an insured depository institution—

23 “(A) with respect to which interest is nei-
 24 ther accrued nor paid;

“(B) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and

“(C) on which the insured depository institution does not reserve the right to require advance notice of an intended withdrawal.”.

(3) ASSESSMENTS.—During the transition period under subsection (c), no insured depository institution with total assets of \$10,000,000,000 or less shall be required to pay—

(A) any special assessment under section 7(b)(5) or 13(c)(4)(G) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(5), 1823(c)(4)(G)) as a condition to insurance on a noninterest-bearing transaction account, as defined in paragraph (5) of section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)), as added by paragraph (2) of this subsection; or

(B) any increase in assessments under section 7(b)(2) of the Federal Deposit Insurance

Act (12 U.S.C. 1817(b)(2)) solely to offset any impact on the reserve ratio arising out of the extension of insurance to noninterest-bearing transaction accounts in excess of the standard maximum deposit insurance amount as determined in accordance with subparagraphs (C), (D), (E), and (F) of paragraph (1) and paragraph (3) of section 11(a) of that Act (12 U.S.C. 1821(a)).

(b) CREDIT UNIONS.—

(1) IN GENERAL.—Section 207(k)(1)(A) of the Federal Credit Union Act (12 U.S.C. 1787(k)(1)(A)) is amended—

(A) by striking “Subject to the provisions of paragraph (2), the net amount” and inserting the following:

“(i) NET AMOUNT OF INSURANCE PAYABLE.—Subject to clause (ii) and the provisions of paragraph (2), the net amount”; and

(B) by adding at the end the following:

“(ii) INSURANCE FOR NONINTEREST-BEARING TRANSACTION ACCOUNTS.—

“(I) IN GENERAL.—Notwithstanding clause (i), the Board shall

insure the net amount, in an amount that is not more than \$10,000,000, that any member, or any person with funds lawfully held in a member account, maintains, in the aggregate, in 1 or more noninterest-bearing transaction accounts at an insured credit union.

“(II) EXCLUSION.—The amount described in subclause (I) shall not be taken into account when computing the net amount due to a member, or to any person with funds lawfully held in a member account, described in that subclause under clause (i).”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—Section 101 of the Federal Credit Union Act (12 U.S.C. 1752) is amended—

(A) in paragraph (5), by inserting “such terms mean a noninterest-bearing transaction account,” after “Act,”;

(B) in paragraph (8), by striking “and” at the end;

(C) in paragraph (9), by striking the period at the end and inserting “; and”; and

1 (D) by adding at the end the following:

2 “(10) The term ‘noninterest-bearing transaction
3 account’ means an account of a member, or non-
4 member that is eligible to maintain an insured ac-
5 count, maintained at an insured credit union—

6 “(A) with respect to which interest is nei-
7 ther accrued nor paid;

8 “(B) on which the member or account
9 holder is permitted to make withdrawals by ne-
10 gotiable or transferable instrument, payment
11 orders of withdrawal, telephone or other elec-
12 tronic media transfers, or other similar items
13 for the purpose of making payments or trans-
14 fers to third parties or others; and

15 “(C) on which the insured credit union
16 does not reserve the right to require advance
17 notice of an intended withdrawal.”.

18 (c) TRANSITION PERIOD.—

19 (1) DEPOSITORY INSTITUTIONS.—

20 (A) IN GENERAL.—Notwithstanding any
21 other provision of law, insured deposits in non-
22 interest-bearing transaction accounts, as de-
23 scribed in clause (ii) of section 11(a)(1)(B) of
24 the Federal Deposit Insurance Act (12 U.S.C.
25 1821(a)(1)(B)), as added by subsection (a)(1)

of this section, shall be included in the determination of the value of the estimated insured deposits described in sections 3(y)(3) and 7(b)(3)(B) of that Act (12 U.S.C. 1813(y)(3), 1817(b)(3)(B)) in accordance with the plan required under subparagraph (B).

(B) PLAN.—Not later than 1 year after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall publish in the Federal Register a plan for gradually increasing, during the period ending on the date that is 10 years after the date of enactment of this Act, the portion of insured deposits described in subparagraph (A) in the determination described in that subparagraph, reaching 100 percent at the end of the period.

(2) CREDIT UNIONS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, insured shares in non-interest-bearing transaction accounts, as described in clause (ii) of section 207(k)(1)(A) of the Federal Credit Union Act (12 U.S.C. 1787(k)(1)(A)), as added by subsection (b)(1) of this section, shall be included in the determination of the value of the aggregate amount

1 of the insured shares, as defined in section
2 202(h) of that Act (12 U.S.C. 1782(h)), in ac-
3 cordance with the plan required under subpara-
4 graph (B).

5 (B) PLAN.—Not later than 1 year after
6 the date of enactment of this Act, the National
7 Credit Union Administration Board shall pub-
8 lish in the Federal Register a plan for gradually
9 increasing, during the period ending on the date
10 that is 10 years after the date of enactment of
11 this Act, the portion of insured shares described
12 in subparagraph (A) in the determination de-
13 scribed in that subparagraph, reaching 100 per-
14 cent at the end of the period.

15 (C) REGULATIONS.—The National Credit
16 Union Administration Board may promulgate
17 regulations to ensure that the National Credit
18 Union Share Insurance Fund remains well-cap-
19 italized.

20 (d) REGULATIONS.—The Federal Deposit Insurance
21 Corporation and the National Credit Union Administra-
22 tion Board may promulgate regulations carrying out the
23 amendments made by this section, including prohibiting
24 insured depository institutions, as defined in section 3 of
25 the Federal Deposit Insurance Act (12 U.S.C. 1813), in-

1 insured credit unions, as defined in section 101 of the Fed-
2 eral Credit Union Act (12 U.S.C. 1752), and third parties,
3 as applicable, from evading the limitation of insurance es-
4 tablished under those amendments to only—

5 (1) noninterest-bearing transaction accounts;

6 (2) deposits or accounts at insured depository
7 institutions not excluded under clause (ii)(III) of
8 section 11(a)(1)(B) of the Federal Deposit Insur-
9 ance Act (12 U.S.C. 1821(a)(1)(B)), as added by
10 subsection (a) of this section; and

11 (3) shares, deposits, or accounts at insured
12 credit unions.

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