

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 5317**  
**OFFERED BY MR. HILL OF ARKANSAS**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Community Bank De-  
3 posit Access Act of 2025”.

**4 SEC. 2. LIMITED EXCEPTION FOR CUSTODIAL DEPOSITS.**

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:

8       “(j) LIMITED EXCEPTION FOR CUSTODIAL DEPOS-  
9 ITS.—

10           “(1) IN GENERAL.—Custodial deposits of an el-  
11 igible institution shall not be considered to be funds  
12 obtained, directly or indirectly, by or through a de-  
13 posit broker to the extent that the total amount of  
14 such custodial deposits does not exceed an amount  
15 equal to 20 percent of the total liabilities of the eligi-  
16 ble institution.

17           “(2) DEFINITIONS.—In this subsection:

1           “(A) CUSTODIAL DEPOSIT.—The term  
2           ‘custodial deposit’ means a deposit that is not  
3           deposited at an insured depository institution in  
4           return for fees paid by the insured depository  
5           institution pursuant to an agreement with a  
6           third party and that would otherwise be consid-  
7           ered to be obtained, directly or indirectly, by or  
8           through a deposit broker, if the deposit is de-  
9           posited at 1 or more insured depository institu-  
10          tions, for the purpose of providing or maintain-  
11          ing deposit insurance for the benefit of a third  
12          party, by or through any of the following, each  
13          acting in a formal custodial or fiduciary capac-  
14          ity for the benefit of a third party:

15               “(i) An insured depository institution  
16               serving as agent, trustee, or custodian.

17               “(ii) A trust entity controlled by an  
18               insured depository institution serving as  
19               agent, trustee, or custodian.

20               “(iii) A State-chartered trust company  
21               serving as agent, trustee, or custodian.

22               “(iv) A plan administrator or invest-  
23               ment advisor, acting in a formal custodial  
24               or fiduciary capacity for the benefit of a  
25               plan.

1           “(B) ELIGIBLE INSTITUTION.—The term  
2           ‘eligible institution’ means an insured deposi-  
3           tory institution that accepts custodial deposits,  
4           if the insured depository institution—

5                   “(i) has less than \$10,000,000,000 in  
6                   total assets as reported on the consolidated  
7                   report of condition and income as reported  
8                   quarterly to the appropriate Federal bank-  
9                   ing agency;

10                   “(ii)(I) when most recently examined  
11                   under section 10(d) was found to have a  
12                   composite condition of outstanding or  
13                   good; and

14                   “(II) is well capitalized; or

15                   “(iii) has obtained a waiver pursuant  
16                   to subsection (c).

17           “(C) PLAN.—The term ‘plan’ has the  
18           meaning given the term in section 3 of the Em-  
19           ployee Retirement Income Security Act of 1974  
20           (29 U.S.C. 1002).

21           “(D) PLAN ADMINISTRATOR.—The term  
22           ‘plan administrator’ has the meaning given the  
23           term ‘administrator’ in section 3 of the Em-  
24           ployee Retirement Income Security Act of 1974  
25           (29 U.S.C. 1002).

1                   “(E) WELL CAPITALIZED.—The term ‘well  
2                   capitalized’ has the meaning given the term in  
3                   section 38(b).”.

4           (b) INTEREST RATE RESTRICTION.—Section 29 of  
5 the Federal Deposit Insurance Act (12 U.S.C. 1831f), as  
6 amended by subsection (a), is further amended by adding  
7 at the end the following:

8           “(k) RESTRICTION ON INTEREST RATE PAID ON  
9 CERTAIN CUSTODIAL DEPOSITS.—

10           “(1) DEFINITIONS.—In this subsection—

11                   “(A) the terms ‘custodial deposit’, ‘eligible  
12                   institution’, and ‘well capitalized’ have the  
13                   meanings given those terms in subsection (j);  
14                   and

15                   “(B) the term ‘covered insured depository  
16                   institution’ means an insured depository institu-  
17                   tion that while acting as an eligible institution  
18                   under subsection (j), accepts custodial deposits  
19                   while not well capitalized.

20           “(2) PROHIBITION.—A covered insured deposi-  
21           tory institution may not pay a rate of interest on  
22           custodial deposits that are accepted while not well  
23           capitalized that, at the time the funds or custodial  
24           deposits are accepted, significantly exceeds the limit  
25           set forth in paragraph (3).

1           “(3) LIMIT ON INTEREST RATES.—The limit on  
2           the rate of interest referred to in paragraph (2) shall  
3           be not greater than—

4                   “(A) the rate paid on deposits of similar  
5                   maturity in the normal market area of the cov-  
6                   ered insured depository institution for deposits  
7                   accepted in the normal market area of the cov-  
8                   ered insured depository institution; or

9                   “(B) the national rate paid on deposits of  
10                  comparable maturity, as established by the Cor-  
11                  poration, for deposits accepted outside the nor-  
12                  mal market area of the covered insured deposi-  
13                  tory institution.”.

