This document is scheduled to be published in the Federal Register on 03/31/2026 and available online at https://federalregister.gov/d/2026-06145, and on https://govinfo.gov

8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. SIPA-186; File No. SIPC-2026-01]

Securities Investor Protection Corporation; Order Approving the Determination of the Board of Directors of the Securities Investor Protection Corporation Not to Adjust for Inflation the Standard Maximum Cash Advance Amount and Notice of the Standard Maximum Cash Advance Amount

March 26, 2026.

I. Background

On January 6, 2026, the Securities Investor Protection Corporation ("SIPC") filed with the Securities and Exchange Commission ("Commission"), under section 3(e)(2)(A) of the Securities Investor Protection Act of 1970 ("SIPA"),[1] notification that SIPC's Board of Directors (the "SIPC Board" or the "Board") had determined pursuant to section 9(e)(1) of SIPA[2] that the standard maximum cash advance amount available to satisfy customer claims for cash in a SIPA liquidation proceeding would remain at $250,000 beginning January 1, 2027, and for the five-year period immediately thereafter. The Commission published for comment notice of the SIPC Board's determination in the *Federal Register* on January 21, 2026.[3] The Commission did not receive any comments. The Commission today is approving, by order, the SIPC Board's determination. As required by SIPA,[4] the Commission is also publishing notice that the standard maximum cash advance amount will remain $250,000 beginning January 1, 2027, and for the five-year period immediately thereafter.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act")[5] amended SIPA to raise the "standard maximum cash advance amount" from $100,000 to

---

1 15 U.S.C. 78ccc(e)(2)(A).

2 15 U.S.C. 78fff-3(e)(1).

3 *See Securities Investor Protection Corporation*, Release No. SIPA-185 (Jan. 14, 2026), 91 FR 2579 (Jan. 21, 2026) (File No. SIPC-2026-01).

4 15 U.S.C. 78fff-3(e)(3)(A).

5 Pub. L. No. 111-203, 124 Stat. 1376 (July 21, 2010).

$250,000 per customer.[6] The amendments to SIPA aligned that amount with the maximum insurance amount provided by the Federal Deposit Insurance Corporation ("FDIC") to customers of a failed bank. The Dodd-Frank Act also amended SIPA to require the SIPC Board to determine, no later than January 1, 2011, and every five years thereafter, whether an inflation adjustment to the standard maximum cash advance amount available to satisfy customer claims in a SIPA liquation proceeding is appropriate.[7] Any adjustment to the standard maximum cash advance amount takes effect on January 1 of the year immediately succeeding the calendar year in which the adjustment is made.[8] Under SIPA, the determination by the SIPC Board to maintain the standard maximum cash advance amount is subject to the same process of public notice and approval by the Commission as is the case for SIPC proposed rule changes.[9] Moreover, the Commission shall publish notice of the standard maximum cash advance amount in the *Federal Register* no later than April 5 of any calendar year in which SIPC is required to determine whether an inflation adjustment is appropriate.[10]

II. Determination of the SIPC Board Not to Adjust the Standard Maximum Cash Advance Amount

As described above, SIPC filed with the Commission notification that the SIPC Board had determined not to raise the standard maximum cash advance amount above $250,000, and thereby maintain it at that level for the five-year period beginning January 1, 2027. In its filing, SIPC stated that applying the inflation formula prescribed by SIPA in this instance would have increased the standard maximum cash advance amount by $100,000 (to $350,000) and that the

---

6 In a liquidation of a broker-dealer performed under SIPA, where the customer property in the broker-dealer's estate is insufficient to meet a customer's eligible claim for cash, SIPC advances up to $250,000 (*i.e.*, the *standard maximum cash advance amount*) to the customer to satisfy that claim. *See* 15 U.S.C. 78fff-3.

7 15 U.S.C. 78fff-3(e)(1). Most recently, in 2021, the Board determined to maintain the standard maximum cash advance amount at $250,000, which was approved by the Commission. *See Securities Investor Protection Corporation*, Release No. SIPA-183 (Jan. 27, 2021), 86 FR 7900 (Feb. 2, 2021) and *Securities Investor Protection Corporation,* Release No. SIPA-184 (Mar. 25, 2021), 86 FR 16651 (Mar. 30, 2021).

8 15 U.S.C. 78fff-3(e)(4).

9 15 U.S.C. 78fff-3(e)(1) and 15 U.S.C. 78ccc(e)(2).

10 15 U.S.C. 78fff-3(e)(3)(A).

SIPC Board weighed the factors it considered in making its determination against an increase of that amount. For the reasons discussed below, the SIPC Board determined not to make the inflation adjustment.

The SIPC Board is required under SIPA to consider the overall state of the SIPC Fund[11] and the economic conditions and the potential problems affecting members of SIPC.[12] In considering the overall state of the SIPC Fund and the economic conditions affecting members of SIPC, the Board reviewed its historical experience with advances from the SIPC Fund in past and present liquidation proceedings. In considering the potential problems affecting SIPC members, the Board reviewed the current state of the financial markets, technology advancements that may affect the securities industry, and recent and pending changes in legislation that may affect the securities industry. The Board stated that it believed consideration of these statutory factors did not warrant an inflation adjustment of the standard maximum cash advance amount.

SIPA also requires the SIPC Board to consider such other factors as the SIPC Board may determine appropriate.[13] Accordingly, the SIPC Board considered the current parity between the amount of the SIPC standard maximum cash advance amount and the "standard maximum deposit insurance amount" under the Federal Deposit Insurance Act (both at $250,000). SIPC stated that increases to the limit of protection for cash claims under SIPA historically have moved in lockstep with increases in FDIC deposit insurance and concluded that an inflation adjustment to the SIPA standard maximum cash advance amount without a corresponding adjustment to the FDIC standard maximum deposit insurance amount would result in an undesirable divergence between the two.

---

11 SIPC is required to establish and administer a broker-dealer liquidation fund (the "SIPC Fund") from which all expenditures by SIPC are to be made, including funds used to facilitate the liquidation of broker-dealers. *See* 15 U.S.C. 78ddd.

12 15 U.S.C. 78fff-3(e)(5).

13 *Id.*

Further, SIPC indicated that the Board considered the relatively limited benefit that an inflation adjustment would provide to retail customers, based upon its experience that the number and size of unsatisfied customer claims of liquidations performed under SIPA has been relatively limited. The SIPC Board also considered that customer free credit balances at brokerage firms have not increased over the last four years despite recent robust inflation during the same period, as firms have increasingly utilized sweep programs[14] to move customer free credit balances from broker-dealers to banks. The Board also considered that despite the projected increase in the number securities accounts in the future, that the Board expects average free credit balances to show a stagnant or declining trend in the future. The SIPC Board considered views of the staffs of the Commission, the FDIC, the Financial Industry Regulatory Authority, the Securities Industry and Financial Markets Association, and the American Securities Association.

After considering these factors, the SIPC Board concluded that, on balance, an adjustment to the standard maximum cash advance amount was not appropriate, and determined that the standard maximum cash advance amount should remain at $250,000 per customer.

III. Discussion and Commission Order

Under SIPA, the determination by the SIPC Board to maintain the standard maximum cash advance amount is subject to the same process for the public notice and approval of SIPC proposed rule changes.[15] SIPA provides that within thirty-five days of the date of publication of the notice of filing of a proposed SIPC rule change in the *Federal Register*, or within such longer period "as the Commission may designate of not more than ninety days after such date if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which SIPC consents", the Commission shall either approve such proposed rule change, or institute

---

[14] A "sweep program" is a service proved by a broker-dealer where it offers to its customer the option to automatically transfer free credit balances of cash in the securities account of the customer to either a money market fund product an account at a bank whose deposits are insured by the FDIC. *See* 17 CFR 240.15c3-3(a)(17).

[15] 15 U.S.C. 78fff-3(e)(1) and 15 U.S.C. 78ccc(e)(2)(A).

proceedings to determine whether such proposed rule change should be disapproved.[16] SIPC consented to extending the period for the Commission to approve SIPC's determination in this matter until March 31, 2026.[17] Further, SIPA provides that the Commission shall approve a proposed rule change if it finds that the proposed rule change is in the public interest and is consistent with the purposes of SIPA.[18]

The Commission finds, pursuant to section 3(e)(2)(D) of SIPA, that the determination of the SIPC Board to refrain from adjusting for inflation the standard maximum cash advance amount of $250,000 beginning January 1, 2027, and for the five-year period immediately thereafter is in the public interest and consistent with the purposes of SIPA. It was reasonable for the Board to examine the effect of past and current liquidation proceedings on the SIPC Fund and to review the financial markets, technological advancements and legislative developments when considering the statutorily-required factors (the overall state of the SIPC Fund, the economic conditions affecting members of SIPC, and the potential problems affecting SIPC members).

Maintaining parity between the standard maximum cash advance amount and the maximum amount of insurance provided by the FDIC is in the public interest and consistent with the purposes of SIPA. Providing a higher level of SIPA coverage for cash deposits of broker-dealer customers compared to FDIC-insured bank depositors could incentivize individuals to deposit cash at broker-dealers to maximize deposit protection rather than for investment purposes. This practice could raise questions about whether such deposits would be covered under SIPA, which provides "customer" status to those who have deposited cash with a SIPC member for the purpose of purchasing securities.[19] Keeping the SIPC standard maximum cash advance amount on parity with the maximum FDIC insurance amount, should limit the instances of individuals using

---

16 15 U.S.C. 78ccc(e)(2)(B).

17 *See* Letter from Hemant Sharma, Deputy General Counsel, SIPC, dated February 17, 2026.

18 15 U.S.C. 78ccc(e)(2)(D).

19 *See* 15 U.S.C. 78*lll*(2)(B)(i).

brokerage accounts to hold cash for purposes other than for purchasing securities, which should minimize the instances of such deposits not being covered in liquidations performed under SIPA.

In addition, the SIPC Board's consideration of its historical experience with advances being generally sufficient to fulfil the cash claims of customers in SIPA liquidation was reasonable. For example, the total value of unsatisfied portion of eligible customer cash claims for the first 54 years of SIPC history amount to only approximately $25 million. The Board's consideration of recent trends in stable to declining levels of customer credit balances at broker-dealers, in part due to the increasing practice of "sweeping" customer cash from broker-dealer accounts to bank accounts, was appropriate. Moreover, not raising the standard maximum cash advance amount should minimize the potential for unnecessary increases to assessments on members.

IT IS THEREFORE ORDERED, pursuant to section 3(e)(2) of SIPA, that the determination by the SIPC Board that the standard maximum cash advance amount will remain at $250,000 beginning January 1, 2027, and for the five-year period immediately thereafter, be and hereby is approved.

IV. Notice of the Standard Maximum Cash Advance Amount

Section 9(e)(3)(A) of SIPA requires that the Commission publish the standard maximum cash advance amount in the *Federal Register* no later than April 5 of any calendar year in which SIPC is required to determine whether an inflation adjustment is appropriate.[20] Accordingly, the Commission is hereby providing notice that the standard maximum cash advance amount is $250,000 beginning January 1, 2027, and for the five-year period immediately thereafter.

By the Commission.

Vanessa A. Countryman,
Secretary.
[FR Doc. 2026-06145 Filed: 3/30/2026 8:45 am; Publication Date: 3/31/2026]

---

[20] 15 U.S.C. 78fff-3(e)(3)(A).