

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5018

To amend the Federal Reserve Act to establish requirements for policy rules and blackout periods of the Federal Open Market Committee, to establish requirements for certain activities of the Board of Governors of the Federal Reserve System, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 7, 2014

Mr. HUIZENGA of Michigan (for himself and Mr. GARRETT) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To amend the Federal Reserve Act to establish requirements for policy rules and blackout periods of the Federal Open Market Committee, to establish requirements for certain activities of the Board of Governors of the Federal Reserve System, 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 “Federal Reserve Ac-  
5       countability and Transparency Act of 2014”.

1 **SEC. 2. REQUIREMENTS FOR POLICY RULES OF THE FED-**  
2 **ERAL OPEN MARKET COMMITTEE.**

3 (a) IN GENERAL.—The Federal Reserve Act (12  
4 U.S.C. 221 et seq.) is amended by inserting after section  
5 2B the following new section:

6 **“SEC. 2C. DIRECTIVE POLICY RULES OF THE FEDERAL**  
7 **OPEN MARKET COMMITTEE.**

8 “(a) DEFINITIONS.—In this section the following  
9 definitions shall apply:

10 “(1) APPROPRIATE CONGRESSIONAL COMMIT-

11 TEES.—The term ‘appropriate congressional com-

12 mittees’ means the Committee on Financial Services

13 of the House of Representatives and the Committee

14 on Banking, Housing, and Urban Affairs of the Sen-

15 ate.

16 “(2) DIRECTIVE POLICY RULE.—The term ‘Di-

17 rective Policy Rule’ means a policy rule developed by

18 the Federal Open Market Committee that meets the

19 requirements of subsection (c) and that provides the

20 basis for the Open Market Operations Directive.

21 “(3) GDP.—The term ‘GDP’ means the gross

22 domestic product of the United States as computed

23 and published by the Department of Commerce.

24 “(4) INTERMEDIATE POLICY INPUT.—The term

25 ‘Intermediate Policy Input’—

1           “(A) may include any variable determined  
2           by the Federal Open Market Committee as a  
3           necessary input to guide open-market oper-  
4           ations;

5           “(B) shall include an estimate of, and the  
6           method of calculation for, the current rate of  
7           inflation or current inflation expectations; and

8           “(C) shall include, specifying whether the  
9           variable or estimate is historical, current, or a  
10          forecast and the method of calculation, at least  
11          one of—

12                   “(i) an estimate of real GDP, nominal  
13                   GDP, or potential GDP;

14                   “(ii) an estimate of the monetary ag-  
15                   gregate compiled by the Board of Gov-  
16                   ernors of the Federal Reserve System and  
17                   Federal reserve banks; or

18                   “(iii) an interactive variable or a net  
19                   estimate composed of the estimates de-  
20                   scribed in clauses (i) and (ii).

21           “(5) LEGISLATIVE DAY.—The term ‘legislative  
22           day’ means a day on which either House of Congress  
23           is in session.

24           “(6) OPEN MARKET OPERATIONS DIRECTIVE.—  
25           The term ‘Open Market Operations Directive’ means

1 an order to achieve a specified Policy Instrument  
2 Target provided to the Federal Reserve Bank of  
3 New York by the Federal Open Market Committee  
4 pursuant to powers authorized under section 14 of  
5 this Act that guide open-market operations.

6 “(7) POLICY INSTRUMENT.—The term ‘Policy  
7 Instrument’ means—

8 “(A) the nominal Federal funds rate;

9 “(B) the nominal rate of interest paid on  
10 nonborrowed reserves; or

11 “(C) the discount window primary credit  
12 interest rate most recently published on the  
13 Federal Reserve Statistical Release on selected  
14 interest rates (daily or weekly), commonly re-  
15 ferred to as the H.15 release.

16 “(8) POLICY INSTRUMENT TARGET.—The term  
17 ‘Policy Instrument Target’ means the target for the  
18 Policy Instrument specified in the Open Market Op-  
19 erations Directive.

20 “(9) REFERENCE POLICY RULE.—The term  
21 ‘Reference Policy Rule’ means a calculation of the  
22 nominal Federal funds rate as equal to the sum of  
23 the following:

24 “(A) The rate of inflation over the pre-  
25 vious four quarters.

1           “(B) One-half of the percentage deviation  
2           of the real GDP from an estimate of potential  
3           GDP.

4           “(C) One-half of the difference between the  
5           rate of inflation over the previous four quarters  
6           and two.

7           “(D) Two.

8           “(b) SUBMITTING A DIRECTIVE POLICY RULE.—Not  
9           later than 48 hours after the end of a meeting of the Fed-  
10          eral Open Market Committee, the Chairman of the Fed-  
11          eral Open Market Committee shall submit to the appro-  
12          priate congressional committees and the Comptroller Gen-  
13          eral of the United States a Directive Policy Rule and a  
14          statement that identifies the members of the Federal Open  
15          Market Committee who voted in favor of the Rule.

16          “(c) REQUIREMENTS FOR A DIRECTIVE POLICY  
17          RULE.—A Directive Policy Rule shall—

18                 “(1) identify the Policy Instrument the Direc-  
19                 tive Policy Rule is designed to target;

20                 “(2) describe the strategy or rule of the Federal  
21                 Open Market Committee for the systematic quan-  
22                 titative adjustment of the Policy Instrument Target  
23                 to respond to a change in the Intermediate Policy  
24                 Inputs;

1           “(3) include a function that comprehensively  
2 models the interactive relationship between the In-  
3 termediate Policy Inputs;

4           “(4) include the coefficients of the Directive  
5 Policy Rule that generate the current Policy Instru-  
6 ment Target and a range of predicted future values  
7 for the Policy Instrument Target if changes occur in  
8 any Intermediate Policy Input;

9           “(5) describe the procedure for adjusting the  
10 supply of bank reserves to achieve the Policy Instru-  
11 ment Target;

12           “(6) include a statement as to whether the Di-  
13 rective Policy Rule substantially conforms to the  
14 Reference Policy Rule and, if applicable—

15           “(A) an explanation of the extent to which  
16 it departs from the Reference Policy Rule;

17           “(B) a detailed justification for that depar-  
18 ture; and

19           “(C) a description of the circumstances  
20 under which the Directive Policy Rule may be  
21 amended in the future;

22           “(7) include a certification that such Rule is ex-  
23 pected to support the economy in achieving stable  
24 prices and maximum natural employment over the  
25 long term; and

1           “(8) include a calculation that describes with  
2           mathematical precision the expected annual inflation  
3           rate over a 5-year period.

4           “(d) GAO REPORT.—The Comptroller General of the  
5           United States shall compare the Directive Policy Rule sub-  
6           mitted under subsection (b) with the rule that was most  
7           recently submitted to determine whether the Directive Pol-  
8           icy Rule has materially changed. If the Directive Policy  
9           Rule has materially changed, the Comptroller General  
10          shall, not later than 7 days after each meeting of the Fed-  
11          eral Open Market Committee, conduct an audit of the  
12          Rule and submit a report to the appropriate congressional  
13          committees specifying whether the Rule submitted after  
14          that meeting and the Federal Open Market Committee are  
15          in compliance with this section.

16          “(e) CHANGING MARKET CONDITIONS.—

17                 “(1) RULE OF CONSTRUCTION.—Nothing in  
18                 this Act shall be construed to require that the plans  
19                 with respect to the systematic quantitative adjust-  
20                 ment of the Policy Instrument Target described  
21                 under subsection (c)(2) be implemented if the Fed-  
22                 eral Open Market Committee determines that such  
23                 plans cannot or should not be achieved due to  
24                 changing market conditions.

1           “(2) GAO APPROVAL OF UPDATE.—Upon deter-  
2           mining that plans described in paragraph (1) cannot  
3           or should not be achieved, the Federal Open Market  
4           Committee shall submit an explanation for that de-  
5           termination and an updated version of the Directive  
6           Policy Rule to the Comptroller General of the  
7           United States and the appropriate congressional  
8           committees not later than 48 hours after making the  
9           determination. The Comptroller General shall, not  
10          later than 48 hours after receiving such updated  
11          version, conduct an audit and issue a report deter-  
12          mining whether such updated version and the Fed-  
13          eral Open Market Committee are in compliance with  
14          this section.

15          “(f) DIRECTIVE POLICY RULE AND FEDERAL OPEN  
16 MARKET COMMITTEE NOT IN COMPLIANCE.—

17           “(1) IN GENERAL.—If the Comptroller General  
18           of the United States determines that the Directive  
19           Policy Rule and the Federal Open Market Com-  
20           mittee are not in compliance with this section in the  
21           report submitted pursuant to subsection (d), or that  
22           the updated version of the Directive Policy Rule and  
23           the Federal Open Market Committee are not in com-  
24           pliance with this section in the report submitted pur-  
25           suant to subsection (e)(2), the Chairman of the



1 Board of Governors of the Federal Reserve System  
2 shall, not later than 7 legislative days after the date  
3 of submission of such a report, testify before the ap-  
4 propriate congressional committees as to why the  
5 Directive Policy Rule, the updated version, or the  
6 Federal Open Market Committee is not in compli-  
7 ance.

8 “(2) GAO AUDIT.—Notwithstanding subsection  
9 (b) of section 714 of title 31, United States Code,  
10 upon submitting a report of noncompliance pursuant  
11 to subsection (d) or subsection (e)(2) and after the  
12 period of 7 legislative days described in paragraph  
13 (1), the Comptroller General shall audit the conduct  
14 of monetary policy by the Board of Governors of the  
15 Federal Reserve System and the Federal Open Mar-  
16 ket Committee upon request of the appropriate con-  
17 gressional committee. Such committee may specify  
18 the parameters of such audit.

19 “(g) CONGRESSIONAL HEARINGS.—The Chairman of  
20 the Board of Governors of the Federal Reserve System  
21 shall, if requested by either of the appropriate congres-  
22 sional committees and not later than 7 legislative days  
23 after such request, appear before such committee to ex-  
24 plain any change to the Directive Policy Rule.”.

1 (b) CONFORMING AMENDMENT.—The second sen-  
2 tence of subsection (b) of section 714 of title 31, United  
3 States Code, is amended by striking “Audits” and insert-  
4 ing “Except as provided in section 2C(f) of the Federal  
5 Reserve Act, audits”.

6 **SEC. 3. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**  
7 **PERIOD.**

8 Section 12A of the Federal Reserve Act (12 U.S.C.  
9 263) is amended by adding at the end the following new  
10 subsection:

11 “(d) BLACKOUT PERIOD.—

12 “(1) IN GENERAL.—During a blackout period,  
13 the only public communications that may be made  
14 by members and staff of the Committee with respect  
15 to macroeconomic or financial developments or about  
16 current or prospective monetary policy issues are the  
17 following:

18 “(A) The dissemination of published data,  
19 surveys, and reports that have been cleared for  
20 publication by the Board of Governors of the  
21 Federal Reserve System.

22 “(B) Answers to technical questions spe-  
23 cific to a data release.

1           “(C) Communications with respect to the  
2           prudential or supervisory functions of the  
3           Board of Governors.

4           “(2) BLACKOUT PERIOD DEFINED.—For pur-  
5           poses of this subsection, and with respect to a meet-  
6           ing of the Committee described under subsection (a),  
7           the term ‘blackout period’ means the time period  
8           that—

9           “(A) begins immediately after midnight on  
10           the day that is one week prior to the date on  
11           which such meeting takes place; and

12           “(B) ends at midnight on the day after the  
13           date on which such meeting takes place.”.

14 **SEC. 4. REQUIREMENTS FOR STRESS TESTS AND SUPER-**  
15 **VISORY LETTERS FOR THE BOARD OF GOV-**  
16 **ERNORS OF THE FEDERAL RESERVE SYSTEM.**

17           (a) STRESS TEST RULEMAKING, GAO REVIEW, AND  
18 PUBLICATION OF RESULTS.—Section 165(i)(1)(B) of the  
19 Dodd-Frank Wall Street Reform and Consumer Protec-  
20 tion Act (12 U.S.C. 5365(i)(1)(B)) is amended—

21           (1) by amending clause (i) to read as follows:

22           “(i) shall—

23           “(I) issue regulations, after pro-  
24           viding for public notice and comment,  
25           that provide for at least 3 different

1 sets of conditions under which the  
2 evaluation required by this subsection  
3 shall be conducted, including baseline,  
4 adverse, and severely adverse, and  
5 methodologies, including models used  
6 to estimate losses on certain assets;  
7 and

8 “(II) provide copies of such regu-  
9 lations to the Comptroller General of  
10 the United States and the Panel of  
11 Economic Advisors of the Congres-  
12 sional Budget Office before publishing  
13 such regulations;”; and

14 (2) in clause (v), by inserting before the period  
15 the following: “, including any results of a resub-  
16 mitted test”.

17 (b) PUBLICATION OF THE NUMBER OF SUPERVISORY  
18 LETTERS SENT TO THE LARGEST BANK HOLDING COM-  
19 PANIES.—Section 165 of the Dodd-Frank Wall Street Re-  
20 form and Consumer Protection Act (12 U.S.C. 5365) is  
21 further amended by adding at the end the following new  
22 subsection:

23 “(1) PUBLICATION OF SUPERVISORY LETTER INFOR-  
24 MATION.—The Board of Governors shall publicly dis-  
25 close—

1           “(1) the aggregate number of supervisory let-  
2           ters sent to bank holding companies described in  
3           subsection (a) since the date of the enactment of  
4           this section, and keep such number updated; and

5           “(2) the aggregate number of such letters that  
6           are designated as ‘Matters Requiring Attention’ and  
7           the aggregate number of such letters that are des-  
8           ignated as ‘Matters Requiring Immediate Atten-  
9           tion’.”.

10 **SEC. 5. FREQUENCY OF TESTIMONY OF THE CHAIRMAN OF**  
11 **THE BOARD OF GOVERNORS OF THE FED-**  
12 **ERAL RESERVE SYSTEM TO CONGRESS.**

13           (a) IN GENERAL.—Section 2B of the Federal Reserve  
14 Act (12 U.S.C. 225b) is amended—

15           (1) by striking “semi-annual” each place it ap-  
16           pears and inserting “quarterly”; and

17           (2) in subsection (a)(2)—

18           (A) by inserting “and October 20” after  
19           “July 20” each place it appears; and

20           (B) by inserting “and May 20” after  
21           “February 20” each place it appears.

22           (b) CONFORMING AMENDMENT.—Paragraph (12) of  
23 section 10 of the Federal Reserve Act (12 U.S.C.  
24 247b(12)) is amended by striking “semi-annual” and in-  
25           serting “quarterly”.

1 **SEC. 6. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**  
2 **QUIREMENT.**

3 Section 10 of the Federal Reserve Act is amended—

4 (1) by redesignating paragraph (12) as para-  
5 graph (11); and

6 (2) in paragraph (11), as so redesignated, by  
7 adding at the end the following: “In each such ap-  
8 pearance, the Vice Chairman for Supervision shall  
9 provide written testimony that includes the status of  
10 all pending and anticipated rulemakings that are  
11 being made by the Board of Governors of the Fed-  
12 eral Reserve System. If, at the time of any appear-  
13 ance described in this paragraph, the position of  
14 Vice Chairman for Supervision is vacant, the Vice  
15 Chairman for the Board of Governors of the Federal  
16 Reserve System (who has the responsibility to serve  
17 in the absence of the Chairman) shall appear instead  
18 and provide the required written testimony. If, at  
19 the time of any appearance described in this para-  
20 graph, both Vice Chairman positions are vacant, the  
21 Chairman of the Board of Governors of the Federal  
22 Reserve System shall appear instead and provide the  
23 required written testimony.”.

1 **SEC. 7. ECONOMIC ANALYSIS OF REGULATIONS OF THE**  
2 **BOARD OF GOVERNORS OF THE FEDERAL RE-**  
3 **SERVE SYSTEM.**

4 Section 11 of the Federal Reserve Act (12 U.S.C.  
5 248) is amended by inserting after subsection (l) the fol-  
6 lowing new subsection:

7 “(m) CONSIDERATION OF ECONOMIC IMPACTS.—

8 “(1) IN GENERAL.—Before issuing any regula-  
9 tion, the Board of Governors of the Federal Reserve  
10 System shall—

11 “(A) clearly identify the nature and source  
12 of the problem that the proposed regulation is  
13 designed to address, assess the significance of  
14 that problem, and assess whether any new regu-  
15 lation is warranted;

16 “(B) assess the qualitative and quan-  
17 titative costs and benefits of the proposed regu-  
18 lation and propose or adopt a regulation only  
19 on a reasoned determination that the benefits  
20 of the proposed regulation outweigh the costs of  
21 the regulation;

22 “(C) identify and assess available alter-  
23 natives to the proposed regulation that were  
24 considered, including any alternative offered by  
25 a member of the Board of Governors of the  
26 Federal Reserve System or the Federal Open

1 Market Committee and including any modifica-  
2 tion of an existing regulation, together with an  
3 explanation of why the regulation meets the  
4 regulatory objectives more effectively than the  
5 alternatives; and

6 “(D) ensure that any proposed regulation  
7 is accessible, consistent, written in plain lan-  
8 guage, and easy to understand and shall meas-  
9 ure, and seek to improve, the actual results of  
10 regulatory requirements.

11 “(2) CONSIDERATIONS AND ACTIONS.—

12 “(A) REQUIRED ACTIONS.—In deciding  
13 whether and how to regulate, the Board shall  
14 assess the costs and benefits of available regu-  
15 latory alternatives, including the alternative of  
16 not regulating, and choose the approach that  
17 maximizes net benefits. Specifically, the Board  
18 shall—

19 “(i) evaluate whether, consistent with  
20 achieving regulatory objectives, the regula-  
21 tion is tailored to impose the least impact  
22 on the availability of credit and economic  
23 growth and to impose the least burden on  
24 society, including market participants, in-  
25 dividuals, businesses of different sizes, and



1 other entities (including State and local  
2 governmental entities), taking into ac-  
3 count, to the extent practicable, the cumu-  
4 lative costs of regulations; and

5 “(ii) evaluate whether the regulation  
6 is inconsistent, incompatible, or duplicative  
7 of other Federal regulations.

8 “(B) ADDITIONAL CONSIDERATIONS.—In  
9 addition, in making a reasoned determination of  
10 the costs and benefits of a proposed regulation,  
11 the Board shall, to the extent that each is rel-  
12 evant to the particular proposed regulation,  
13 take into consideration the impact of the regu-  
14 lation, including secondary costs such as an in-  
15 crease in the cost or a reduction in the avail-  
16 ability of credit or investment services or prod-  
17 ucts, on—

18 “(i) the safety and soundness of the  
19 United States banking system;

20 “(ii) market liquidity in securities  
21 markets;

22 “(iii) small businesses;

23 “(iv) community banks;

24 “(v) economic growth;

25 “(vi) cost and access to capital;

- 1 “(vii) market stability;
- 2 “(viii) global competitiveness;
- 3 “(ix) job creation;
- 4 “(x) the effectiveness of the monetary
- 5 policy transmission mechanism; and
- 6 “(xi) employment levels.

7 “(3) EXPLANATION AND COMMENTS.—The

8 Board shall explain in its final rule the nature of

9 comments that it received and shall provide a re-

10 sponse to those comments in its final rule, including

11 an explanation of any changes that were made in re-

12 sponse to those comments and the reasons that the

13 Board did not incorporate concerns related to the

14 potential costs or benefits in the final rule.

15 “(4) POSTADOPTION IMPACT ASSESSMENT.—

16 “(A) IN GENERAL.—Whenever the Board

17 adopts or amends a regulation designated as a

18 ‘major rule’ within the meaning of section

19 804(2) of title 5, United States Code, it shall

20 state, in its adopting release, the following:

21 “(i) The purposes and intended con-

22 sequences of the regulation.

23 “(ii) The assessment plan that will be

24 used, consistent with the requirements of

25 subparagraph (B), to assess whether the

1 regulation has achieved the stated pur-  
2 poses.

3 “(iii) Appropriate postimplementation  
4 quantitative and qualitative metrics to  
5 measure the economic impact of the regu-  
6 lation and the extent to which the regula-  
7 tion has accomplished the stated purpose  
8 of the regulation.

9 “(iv) Any reasonably foreseeable indi-  
10 rect effects that may result from the regu-  
11 lation.

12 “(B) REQUIREMENTS OF ASSESSMENT  
13 PLAN AND REPORT.—

14 “(i) REQUIREMENTS OF PLAN.—The  
15 assessment plan required under this para-  
16 graph shall consider the costs, benefits,  
17 and intended and unintended consequences  
18 of the regulation. The plan shall specify  
19 the data to be collected, the methods for  
20 collection and analysis of the data, and a  
21 date for completion of the assessment. The  
22 assessment plan shall include an analysis  
23 of any jobs added or lost as a result of the  
24 regulation, differentiating between public  
25 and private sector jobs.

1           “(ii) SUBMISSION AND PUBLICATION  
2           OF REPORT.—The Board shall, not later  
3           than 2 years after the publication of the  
4           adopting release, publish the assessment  
5           plan in the Federal Register for notice and  
6           comment. If the Board determines, at least  
7           90 days before the deadline for publication  
8           of the assessment plan, that an extension  
9           is necessary, the Board shall publish a no-  
10          tice of such extension and the specific rea-  
11          sons why the extension is necessary in the  
12          Federal Register. Any material modifica-  
13          tion of the assessment plan, as necessary  
14          to assess unforeseen aspects or con-  
15          sequences of the regulation, shall be  
16          promptly published in the Federal Register  
17          for notice and comment.

18          “(iii) DATA COLLECTION NOT SUB-  
19          JECT TO NOTICE AND COMMENT REQUIRE-  
20          MENTS.—If the Board has published the  
21          assessment plan for notice and comment at  
22          least 30 days before the adoption of a reg-  
23          ulation designated as a major rule, the col-  
24          lection of data under the assessment plan  
25          shall not be subject to the notice and com-

1           ment requirements in section 3506(c) of  
2           title 44, United States Code (commonly re-  
3           ferred to as the Paperwork Reduction Act).  
4           Any material modification of the plan that  
5           requires collection of data not previously  
6           published for notice and comment shall  
7           also be exempt from such requirements if  
8           the Board has published notice in the Fed-  
9           eral Register for comment on the addi-  
10          tional data to be collected, at least 30 days  
11          before the initiation of data collection.

12                   “(iv) FINAL ACTION.—Not later than  
13                   180 days after publication of the assess-  
14                   ment plan in the Federal Register, the  
15                   Board shall issue for notice and comment  
16                   a proposal to amend or rescind the regula-  
17                   tion, or shall publish a notice that the  
18                   Board has determined that no action will  
19                   be taken on the regulation. Such a notice  
20                   will be deemed a final agency action.

21                   “(5) COVERED REGULATIONS AND OTHER AC-  
22                   TIONS.—Solely as used in this subsection, the term  
23                   ‘regulation’—

24                           “(A) means a statement of general applica-  
25                   bility and future effect that is designed to im-

1           plement, interpret, or prescribe law or policy, or  
2           to describe the procedure or practice require-  
3           ments of the Board of Governors, including  
4           rules, orders of general applicability, interpre-  
5           tive releases, and other statements of general  
6           applicability that the Board of Governors in-  
7           tends to have the force and effect of law; and

8           “(B) does not include—

9           “(i) a regulation issued in accordance  
10          with the formal rulemaking provisions of  
11          section 556 or 557 of title 5, United States  
12          Code;

13          “(ii) a regulation that is limited to the  
14          organization, management, or personnel  
15          matters of the Board of Governors;

16          “(iii) a regulation promulgated pursu-  
17          ant to statutory authority that expressly  
18          prohibits compliance with this provision; or

19          “(iv) a regulation that is certified by  
20          the Board of Governors to be an emer-  
21          gency action, if such certification is pub-  
22          lished in the Federal Register.”.

1 **SEC. 8. SALARIES, FINANCIAL DISCLOSURES, AND OFFICE**  
2 **STAFF OF THE BOARD OF GOVERNORS OF**  
3 **THE FEDERAL RESERVE SYSTEM.**

4 (a) IN GENERAL.—Section 11 of the Federal Reserve  
5 Act (12 U.S.C. 248) is further amended—

6 (1) by redesignating the second subsection (s)  
7 (relating to assessments, fees, and other charges for  
8 certain companies) as subsection (t); and

9 (2) by adding at the end the following new sub-  
10 sections:

11 “(u) ETHICS STANDARDS FOR MEMBERS AND EM-  
12 PLOYEES.—

13 “(1) PROHIBITED AND RESTRICTED FINANCIAL  
14 INTERESTS AND TRANSACTIONS.—The members and  
15 employees of the Board of Governors of the Federal  
16 Reserve System shall be subject to the provisions  
17 under section 4401.102 of title 5, Code of Federal  
18 Regulations, to the same extent as such provisions  
19 apply to an employee of the Securities and Exchange  
20 Commission.

21 “(2) TREATMENT OF BROKERAGE ACCOUNTS  
22 AND AVAILABILITY OF ACCOUNT STATEMENTS.—The  
23 members and employees of the Board of Governors  
24 of the Federal Reserve System shall—

25 “(A) disclose all brokerage accounts that  
26 they maintain, as well as those in which they

1 control trading or have a financial interest (in-  
2 cluding managed accounts, trust accounts, in-  
3 vestment club accounts, and the accounts of  
4 spouses or minor children who live with the  
5 member or employee); and

6 “(B) with respect to any securities account  
7 that the member or employee is required to dis-  
8 close to the Board of Governors, authorize their  
9 brokers and dealers to send duplicate account  
10 statements directly to Board of Governors.

11 “(3) PROHIBITIONS RELATED TO OUTSIDE EM-  
12 PLOYMENT AND ACTIVITIES.—The members and em-  
13 ployees of the Board of Governors of the Federal  
14 Reserve System shall be subject to the prohibitions  
15 related to outside employment and activities de-  
16 scribed under section 4401.103(c) of title 5, Code of  
17 Federal Regulations, to the same extent as such pro-  
18 hibitions apply to an employee of the Securities and  
19 Exchange Commission.

20 “(4) ADDITIONAL ETHICS STANDARDS.—The  
21 members and employees of the Board of Governors  
22 of the Federal Reserve System shall be subject to—

23 “(A) the employee responsibilities and con-  
24 duct regulations of the Office of Personnel



1 Management under part 735 of title 5, Code of  
2 Federal Regulations;

3 “(B) the canons of ethics contained in sub-  
4 part C of part 200 of title 17, Code of Federal  
5 Regulations, to the same extent as such subpart  
6 applies to the employees of the Securities and  
7 Exchange Commission; and

8 “(C) the regulations concerning the con-  
9 duct of members and employees and former  
10 members and employees contained in subpart M  
11 of part 200 of title 17, Code of Federal Regula-  
12 tions, to the same extent as such subpart ap-  
13 plies to the employees of the Securities and Ex-  
14 change Commission.

15 “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-  
16 CIAL INFORMATION.—The Board of Governors of the Fed-  
17 eral Reserve System shall make publicly available, on the  
18 website of the Board of Governors, a searchable database  
19 that contains the names of all members, officers, and em-  
20 ployees of the Board of Governors and each Federal re-  
21 serve bank who receive an annual salary in excess of the  
22 annual rate of basic pay for GS–15 of the General Sched-  
23 ule, and—

1           “(1) the yearly salary information for such indi-  
2           viduals, along with any nonsalary compensation re-  
3           ceived by such individuals; and

4           “(2) any financial disclosures required to be  
5           made by such individuals.”.

6           (b) OFFICE STAFF FOR EACH MEMBER OF THE  
7 BOARD OF GOVERNORS.—Subsection (l) of section 11 of  
8 the Federal Reserve Act (12 U.S.C. 248) is amended by  
9 adding at the end the following: “Each member of the  
10 Board of Governors of the Federal Reserve System may  
11 employ, at a minimum, 2 individuals, with such individuals  
12 selected by such member and the salaries of such individ-  
13 uals set by such member. A member may employ addi-  
14 tional individuals as determined necessary by the Board  
15 of Governors.”.

16 **SEC. 9. REQUIREMENTS FOR INTERNATIONAL NEGOTIA-**  
17 **TIONS.**

18           (a) BOARD OF GOVERNORS REQUIREMENTS.—Sec-  
19 tion 11 of the Federal Reserve Act (12 U.S.C. 248), as  
20 amended by section 8 of this Act, is further amended by  
21 adding at the end the following new subsection:

22           “(w) INTERNATIONAL NEGOTIATIONS.—

23           “(1) NOTICE OF NEGOTIATIONS; CONSULTA-  
24           TION.—At least 90 calendar days before any mem-  
25           ber or employee of the Board of Governors of the

1 Federal Reserve System enters into negotiations  
2 with any foreign or multinational entity, the Board  
3 of Governors shall—

4 “(A) issue a notice of negotiations to the  
5 Committee on Financial Services of the House  
6 of Representatives and the Committee on Bank-  
7 ing, Housing, and Urban Affairs of the Senate;

8 “(B) make such notice available to the  
9 public, including on the website of the Board of  
10 Governors; and

11 “(C) solicit public comment, and consult  
12 with the committees described under subpara-  
13 graph (A), with respect to the topic matter,  
14 scope, and goals of the negotiations.

15 “(2) PUBLIC REPORTS ON NEGOTIATIONS.—

16 After the end of any negotiation described under  
17 paragraph (1), the Board of Governors shall issue a  
18 public report on the topics that were discussed at  
19 the negotiation and any new or revised rulemakings  
20 or policy changes that the Board of Governors be-  
21 lieves should be implemented as a result of the nego-  
22 tiations.

23 “(3) NOTICE OF AGREEMENTS; CONSULTA-  
24 TION.—At least 90 calendar days before any mem-  
25 ber or employee of the Board of Governors of the

1 Federal Reserve System enters into any agreement  
2 with any foreign or multinational entity, the Board  
3 of Governors shall—

4 “(A) issue a notice of agreement to the  
5 Committee on Financial Services of the House  
6 of Representatives and the Committee on Bank-  
7 ing, Housing, and Urban Affairs of the Senate;

8 “(B) make such notice available to the  
9 public, including on the website of the Board of  
10 Governors; and

11 “(C) consult with such committees with re-  
12 spect to the nature of the agreement and any  
13 anticipated effects such agreement will have on  
14 the economy.”.

15 (b) FDIC REQUIREMENTS.—The Federal Deposit  
16 Insurance Act (12 U.S.C. 1811 et seq.) is amended by  
17 adding at the end the following new section:

18 **“SEC. 50. INTERNATIONAL NEGOTIATIONS.**

19 “(a) NOTICE OF NEGOTIATIONS; CONSULTATION.—  
20 At least 90 calendar days before the Board of Directors  
21 enters into negotiations with any foreign or multinational  
22 entity, the Board of Directors shall—

23 “(1) issue a notice of negotiations to the Com-  
24 mittee on Financial Services of the House of Rep-

1       representatives and the Committee on Banking, Hous-  
2       ing, and Urban Affairs of the Senate;

3             “(2) make such notice available to the public,  
4       including on the website of the Corporation; and

5             “(3) solicit public comment, and consult with  
6       the committees described under paragraph (1), with  
7       respect to the topic matter, scope, and goals of the  
8       negotiations.

9       “(b) PUBLIC REPORTS ON NEGOTIATIONS.—After  
10   the end of any negotiation described under subsection (a),  
11   the Board of Directors shall issue a public report on the  
12   topics that were discussed at the negotiation and any new  
13   or revised rulemakings or policy changes that the Board  
14   of Directors believes should be implemented as a result  
15   of the negotiations.

16       “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At  
17   least 90 calendar days before the Board of Directors en-  
18   ters into any agreement with any foreign or multinational  
19   entity, the Board of Directors shall—

20             “(1) issue a notice of agreement to the Com-  
21       mittee on Financial Services of the House of Rep-  
22       resentatives and the Committee on Banking, Hous-  
23       ing, and Urban Affairs of the Senate;

24             “(2) make such notice available to the public,  
25       including on the website of the Corporation; and

1           “(3) consult with such committees with respect  
2           to the nature of the agreement and any anticipated  
3           effects such agreement will have on the economy.”.

4           (c) TREASURY REQUIREMENTS.—Section 325 of title  
5 31, United States Code, is amended by adding at the end  
6 the following new subsection:

7           “(d) INTERNATIONAL NEGOTIATIONS.—

8           “(1) NOTICE OF NEGOTIATIONS; CONSULTA-  
9           TION.—At least 90 calendar days before the Sec-  
10          retary enters into negotiations with any foreign or  
11          multinational entity, the Secretary shall—

12                   “(A) issue a notice of negotiations to the  
13                   Committee on Financial Services of the House  
14                   of Representatives and the Committee on Bank-  
15                   ing, Housing, and Urban Affairs of the Senate;

16                   “(B) make such notice available to the  
17                   public, including on the website of the Depart-  
18                   ment of the Treasury; and

19                   “(C) solicit public comment, and consult  
20                   with the committees described under subpara-  
21                   graph (A), with respect to the topic matter,  
22                   scope, and goals of the negotiations.

23           “(2) PUBLIC REPORTS ON NEGOTIATIONS.—  
24          After the end of any negotiation described under  
25          paragraph (1), the Secretary shall issue a public re-

1 port on the topics that were discussed at the nego-  
2 tiation and any new or revised rulemakings or policy  
3 changes that the Secretary believes should be imple-  
4 mented as a result of the negotiations.

5 “(3) NOTICE OF AGREEMENTS; CONSULTA-  
6 TION.—At least 90 calendar days before the Sec-  
7 retary enters into any agreement with any foreign or  
8 multinational entity, the Secretary shall—

9 “(A) issue a notice of agreement to the  
10 Committee on Financial Services of the House  
11 of Representatives and the Committee on Bank-  
12 ing, Housing, and Urban Affairs of the Senate;

13 “(B) make such notice available to the  
14 public, including on the website of the Depart-  
15 ment of the Treasury; and

16 “(C) consult with such committees with re-  
17 spect to the nature of the agreement and any  
18 anticipated effects such agreement will have on  
19 the economy.”.

○