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H. R. 3189

IN THE SENATE OF THE UNITED STATES

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Read twice and referred to the Committee on Banking, Housing, and Urban
Affairs

AN ACT

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 to amend title 31, United States Code, to reform the manner in which the Board of Governors of the Federal Reserve System is audited, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Fed Oversight Reform and Modernization Act of 2015”
 6 or the “FORM Act of 2015”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
 8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Requirements for policy rules of the Federal Open Market Committee.
- Sec. 3. Federal Open Market Committee blackout period.
- Sec. 4. Membership of Federal Open Market Committee.
- Sec. 5. Requirements for stress tests and supervisory letters for the Board of
Governors of the Federal Reserve System.
- Sec. 6. Frequency of testimony of the Chairman of the Board of Governors of
the Federal Reserve System to Congress.
- Sec. 7. Vice Chairman for Supervision report requirement.
- Sec. 8. Economic analysis of regulations of the Board of Governors of the Fed-
eral Reserve System.
- Sec. 9. Salaries, financial disclosures, and office staff of the Board of Gov-
ernors of the Federal Reserve System.
- Sec. 10. Requirements for international processes.
- Sec. 11. Amendments to powers of the Board of Governors of the Federal Re-
serve System.
- Sec. 12. Interest rates on balances maintained at a Federal Reserve bank by
depository institutions established by Federal Open Market
Committee.
- Sec. 13. Audit reform and transparency for the Board of Governors of the Fed-
eral Reserve System.
- Sec. 14. Reporting requirement for Export-Import Bank.
- Sec. 15. Membership of Board of Directors of the Federal reserve banks.
- Sec. 16. Establishment of a Centennial Monetary Commission.
- Sec. 17. Elimination of surplus funds of Federal reserve banks.
- Sec. 18. Public transcripts of FOMC meetings.

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

11 The Federal Reserve Act (12 U.S.C. 221 et seq.) is
 12 amended by inserting after section 2B the following new
 13 section:

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

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

5 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
6 TEES.—The term ‘appropriate congressional com-
7 mittees’ means the Committee on Financial Services
8 of the House of Representatives and the Committee
9 on Banking, Housing, and Urban Affairs of the Sen-
10 ate.

11 “(2) DIRECTIVE POLICY RULE.—The term ‘Di-
12 rective Policy Rule’ means a policy rule developed by
13 the Federal Open Market Committee that meets the
14 requirements of subsection (c) and that provides the
15 basis for the Open Market Operations Directive.

16 “(3) GDP.—The term ‘GDP’ means the gross
17 domestic product of the United States as computed
18 and published by the Department of Commerce.

19 “(4) INTERMEDIATE POLICY INPUT.—The term
20 ‘Intermediate Policy Input’—

21 “(A) may include any variable determined
22 by the Federal Open Market Committee as a
23 necessary input to guide open-market oper-
24 ations;

1 “(B) shall include an estimate of, and the
2 method of calculation for, the current rate of
3 inflation or current inflation expectations; and

4 “(C) shall include, specifying whether the
5 variable or estimate is historical, current, or a
6 forecast and the method of calculation, at least
7 one of—

8 “(i) an estimate of real GDP, nominal
9 GDP, or potential GDP;

10 “(ii) an estimate of the monetary ag-
11 gregate compiled by the Board of Gov-
12 ernors of the Federal Reserve System and
13 Federal reserve banks; or

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

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

20 “(6) OPEN MARKET OPERATIONS DIRECTIVE.—
21 The term ‘Open Market Operations Directive’ means
22 an order to achieve a specified Policy Instrument
23 Target provided to the Federal Reserve Bank of
24 New York by the Federal Open Market Committee

1 pursuant to powers authorized under section 14 of
2 this Act that guide open-market operations.

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

5 “(A) the nominal Federal funds rate;

6 “(B) the nominal rate of interest paid on
7 nonborrowed reserves; or

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

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

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

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

23 “(B) One-half of the percentage deviation
24 of the real GDP from an estimate of potential
25 GDP.

1 “(C) One-half of the difference between the
2 rate of inflation over the previous four quarters
3 and two percent.

4 “(D) Two percent.

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

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

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

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

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

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

6 “(5) describe the procedure for adjusting the
7 supply of bank reserves to achieve the Policy Instru-
8 ment Target;

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

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

14 “(B) a detailed justification for that depar-
15 ture; and

16 “(C) a description of the circumstances
17 under which the Directive Policy Rule may be
18 amended in the future;

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

23 “(8) include a calculation that describes with
24 mathematical precision the expected annual inflation
25 rate over a 5-year period; and

1 “(9) include a plan to use the most accurate
2 data, subject to all historical revisions, for inputs
3 into the Directive Policy Rule and the Reference
4 Policy Rule.

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

17 “(e) CHANGING MARKET CONDITIONS.—

18 “(1) RULE OF CONSTRUCTION.—Nothing in
19 this Act shall be construed to require that the plans
20 with respect to the systematic quantitative adjust-
21 ment of the Policy Instrument Target described
22 under subsection (c)(2) be implemented if the Fed-
23 eral Open Market Committee determines that such
24 plans cannot or should not be achieved due to
25 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, prepare and submit to the appropriate con-
12 gressional committees a compliance report deter-
13 mining whether such updated version and the Fed-
14 eral Open Market Committee are in compliance with
15 this section.

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

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

1 suant to subsection (e)(2), the Chairman of the
2 Board of Governors of the Federal Reserve System
3 shall, if requested by the chairman of either of the
4 appropriate congressional committees, not later than
5 7 legislative days after such request, testify before
6 such committee as to why the Directive Policy Rule,
7 the updated version, or the Federal Open Market
8 Committee is not in compliance.

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

20 “(g) CONGRESSIONAL HEARINGS.—The Chairman of
21 the Board of Governors of the Federal Reserve System
22 shall, if requested by the chairman of either of the appro-
23 priate congressional committees and not later than 7 legis-
24 lative days after such request, appear before such com-

1 mittee to explain any change to the Directive Policy
2 Rule.”.

3 **SEC. 3. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**
4 **PERIOD.**

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

8 “(d) BLACKOUT PERIOD.—

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

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

19 “(B) Answers to technical questions spe-
20 cific to a data release.

21 “(C) Communications with respect to the
22 prudential or supervisory functions of the
23 Board of Governors.

24 “(2) BLACKOUT PERIOD DEFINED.—For pur-
25 poses of this subsection, and with respect to a meet-

1 ing of the Committee described under subsection (a),
2 the term ‘blackout period’ means the time period
3 that—

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

7 “(B) ends at midnight on the day after the
8 date on which such meeting takes place.

9 “(3) EXEMPTION FOR CHAIRMAN OF THE
10 BOARD OF GOVERNORS.—Nothing in this section
11 shall prohibit the Chairman of the Board of Gov-
12 ernors of the Federal Reserve System from partici-
13 pating in or issuing public communications.”.

14 **SEC. 4. MEMBERSHIP OF FEDERAL OPEN MARKET COM-**
15 **MITTEE.**

16 Section 12A(a) of the Federal Reserve Act (12
17 U.S.C. 263(a)) is amended—

18 (1) in the first sentence, by striking “five” and
19 inserting “six”;

20 (2) in the second sentence, by striking “One by
21 the board of directors” and all that follows through
22 the period at the end and inserting the following:
23 “One by the boards of directors of the Federal Re-
24 serve Banks of New York and Boston; one by the
25 boards of directors of the Federal Reserve Banks of

1 Philadelphia and Cleveland; one by the boards of di-
 2 rectors of the Federal Reserve Banks of Richmond
 3 and Atlanta; one by the boards of directors of the
 4 Federal Reserve Banks of Chicago and St. Louis;
 5 one by the boards of directors of the Federal Re-
 6 serve Banks of Minneapolis and Kansas City; and
 7 one by the boards of directors of the Federal Re-
 8 serve Banks of Dallas and San Francisco.”; and

9 (3) by inserting after the second sentence the
 10 following: “In odd numbered calendar years, one
 11 representative shall be elected from each of the Fed-
 12 eral Reserve Banks of Boston, Philadelphia, Rich-
 13 mond, Chicago, Minneapolis, and Dallas. In even-
 14 numbered calendar years, one representative shall be
 15 elected from each of the Federal Reserve Banks of
 16 New York, Cleveland, Atlanta, St. Louis, Kansas
 17 City, and San Francisco.”.

18 **SEC. 5. REQUIREMENTS FOR STRESS TESTS AND SUPER-**
 19 **VISORY LETTERS FOR THE BOARD OF GOV-**
 20 **ERNORS OF THE FEDERAL RESERVE SYSTEM.**

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

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

1 “(i) shall—

2 “(I) issue regulations, after pro-
3 viding for public notice and comment,
4 that provide for at least 3 different
5 sets of conditions under which the
6 evaluation required by this subsection
7 shall be conducted, including baseline,
8 adverse, and severely adverse, and
9 methodologies, including models used
10 to estimate losses on certain assets;
11 and

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

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

21 (b) APPLICATION OF CCAR.—Section 165(i)(1) of
22 such Act is further amended by adding at the end the fol-
23 lowing new subparagraph:

24 “(C) APPLICATION TO CCAR.—The require-
25 ments of subparagraph (B) shall apply to all

1 stress tests performed under the Comprehensive
2 Capital Analysis and Review exercise estab-
3 lished by the Board of Governors.”.

4 (c) PUBLICATION OF THE NUMBER OF SUPERVISORY
5 LETTERS SENT TO THE LARGEST BANK HOLDING COM-
6 PANIES.—Section 165 of such Act is further amended by
7 adding at the end the following new subsection:

8 “(1) PUBLICATION OF SUPERVISORY LETTER INFOR-
9 MATION.—The Board of Governors shall publicly dis-
10 close—

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

15 “(2) the aggregate number of such letters that
16 are designated as ‘Matters Requiring Attention’ and
17 the aggregate number of such letters that are des-
18 ignated as ‘Matters Requiring Immediate Atten-
19 tion’.”.

20 **SEC. 6. FREQUENCY OF TESTIMONY OF THE CHAIRMAN OF**
21 **THE BOARD OF GOVERNORS OF THE FED-**
22 **ERAL RESERVE SYSTEM TO CONGRESS.**

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

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

3 (2) in subsection (a)(2)—

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

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

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

12 **SEC. 7. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**
13 **QUIREMENT.**

14 Paragraph (12) of section 10 of the Federal Reserve
15 Act (12 U.S.C. 247(b)) is amended—

16 (1) by redesignating such paragraph as para-
17 graph (11); and

18 (2) in such paragraph, by adding at the end the
19 following: “In each such appearance, the Vice Chair-
20 man for Supervision shall provide written testimony
21 that includes the status of all pending and antici-
22 pated rulemakings that are being made by the
23 Board of Governors of the Federal Reserve System.
24 If, at the time of any appearance described in this
25 paragraph, the position of Vice Chairman for Super-

1 vision is vacant, the Vice Chairman for the Board of
2 Governors of the Federal Reserve System (who has
3 the responsibility to serve in the absence of the
4 Chairman) shall appear instead and provide the re-
5 quired written testimony. If, at the time of any ap-
6 pearance described in this paragraph, both Vice
7 Chairman positions are vacant, the Chairman of the
8 Board of Governors of the Federal Reserve System
9 shall appear instead and provide the required writ-
10 ten testimony.”.

11 **SEC. 8. ECONOMIC ANALYSIS OF REGULATIONS OF THE**
12 **BOARD OF GOVERNORS OF THE FEDERAL RE-**
13 **SERVE SYSTEM.**

14 (a) AMENDMENT TO FEDERAL RESERVE ACT.—Sec-
15 tion 11 of the Federal Reserve Act (12 U.S.C. 248) is
16 amended by inserting after subsection (l) the following
17 new subsection:

18 “(m) CONSIDERATION OF ECONOMIC IMPACTS.—

19 “(1) IN GENERAL.—Before issuing any regula-
20 tion, the Board of Governors of the Federal Reserve
21 System shall—

22 “(A) clearly identify the nature and source
23 of the problem that the proposed regulation is
24 designed to address and assess the significance
25 of that problem;

1 “(B) assess whether any new regulation is
2 warranted or, with respect to a proposed regu-
3 lation that the Board of Governors is required
4 to issue by statute and with respect to which
5 the Board has the authority to exempt certain
6 persons from the application of such regulation,
7 compare—

8 “(i) the costs and benefits of the pro-
9 posed regulation; and

10 “(ii) the costs and benefits of a regu-
11 lation under which the Board exempts all
12 persons from the application of the pro-
13 posed regulation, to the extent the Board
14 is able;

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

21 “(D) identify and assess available alter-
22 natives to the proposed regulation that were
23 considered, including any alternative offered by
24 a member of the Board of Governors of the
25 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 “(E) 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;

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

8 “(iii) with respect to a proposed regu-
9 lation that the Board is required to issue
10 by statute and with respect to which the
11 Board has the authority to exempt certain
12 persons from the application of such regu-
13 lation, compare—

14 “(I) the costs and benefits of the
15 proposed regulation; and

16 “(II) the costs and benefits of a
17 regulation under which the Board ex-
18 empts all persons from the application
19 of the proposed regulation, to the ex-
20 tent the Board is able.

21 “(B) **ADDITIONAL CONSIDERATIONS.**—In
22 addition, in making a reasoned determination of
23 the costs and benefits of a proposed regulation,
24 the Board shall, to the extent that each is rel-
25 evant to the particular proposed regulation,

1 take into consideration the impact of the regu-
2 lation, including secondary costs such as an in-
3 crease in the cost or a reduction in the avail-
4 ability of credit or investment services or prod-
5 ucts, on—

6 “(i) the safety and soundness of the
7 United States banking system;

8 “(ii) market liquidity in securities
9 markets;

10 “(iii) small businesses;

11 “(iv) community banks;

12 “(v) economic growth;

13 “(vi) cost and access to capital;

14 “(vii) market stability;

15 “(viii) global competitiveness;

16 “(ix) job creation;

17 “(x) the effectiveness of the monetary
18 policy transmission mechanism; and

19 “(xi) employment levels.

20 “(3) EXPLANATION AND COMMENTS.—The
21 Board shall explain in its final rule the nature of
22 comments that it received and shall provide a re-
23 sponse to those comments in its final rule, including
24 an explanation of any changes that were made in re-
25 sponse to those comments and the reasons that the

1 Board did not incorporate concerns related to the
2 potential costs or benefits in the final rule.

3 “(4) POSTADOPTION IMPACT ASSESSMENT.—

4 “(A) IN GENERAL.—Whenever the Board
5 adopts or amends a regulation designated as a
6 ‘major rule’ within the meaning of section
7 804(2) of title 5, United States Code, it shall
8 state, in its adopting release, the following:

9 “(i) The purposes and intended con-
10 sequences of the regulation.

11 “(ii) The assessment plan that will be
12 used, consistent with the requirements of
13 subparagraph (B), to assess whether the
14 regulation has achieved the stated pur-
15 poses.

16 “(iii) Appropriate postimplementation
17 quantitative and qualitative metrics to
18 measure the economic impact of the regu-
19 lation and the extent to which the regula-
20 tion has accomplished the stated purpose
21 of the regulation.

22 “(iv) Any reasonably foreseeable indi-
23 rect effects that may result from the regu-
24 lation.

1 “(B) REQUIREMENTS OF ASSESSMENT
2 PLAN AND REPORT.—

3 “(i) REQUIREMENTS OF PLAN.—The
4 assessment plan required under this para-
5 graph shall consider the costs, benefits,
6 and intended and unintended consequences
7 of the regulation. The plan shall specify
8 the data to be collected, the methods for
9 collection and analysis of the data, and a
10 date for completion of the assessment. The
11 assessment plan shall include an analysis
12 of any jobs added or lost as a result of the
13 regulation, differentiating between public
14 and private sector jobs.

15 “(ii) SUBMISSION AND PUBLICATION
16 OF REPORT.—The Board shall, not later
17 than 2 years after the publication of the
18 adopting release, publish the assessment
19 plan in the Federal Register for notice and
20 comment. If the Board determines, at least
21 90 days before the deadline for publication
22 of the assessment plan, that an extension
23 is necessary, the Board shall publish a no-
24 tice of such extension and the specific rea-
25 sons why the extension is necessary in the

1 Federal Register. Any material modifica-
2 tion of the assessment plan, as necessary
3 to assess unforeseen aspects or con-
4 sequences of the regulation, shall be
5 promptly published in the Federal Register
6 for notice and comment.

7 “(iii) DATA COLLECTION NOT SUB-
8 JECT TO NOTICE AND COMMENT REQUIRE-
9 MENTS.—If the Board has published the
10 assessment plan for notice and comment at
11 least 30 days before the adoption of a reg-
12 ulation designated as a major rule, the col-
13 lection of data under the assessment plan
14 shall not be subject to the notice and com-
15 ment requirements in section 3506(c) of
16 title 44, United States Code (commonly re-
17 ferred to as the Paperwork Reduction Act).
18 Any material modification of the plan that
19 requires collection of data not previously
20 published for notice and comment shall
21 also be exempt from such requirements if
22 the Board has published notice in the Fed-
23 eral Register for comment on the addi-
24 tional data to be collected, at least 30 days
25 before the initiation of data collection.

1 “(iv) FINAL ACTION.—Not later than
2 180 days after publication of the assess-
3 ment plan in the Federal Register, the
4 Board shall issue for notice and comment
5 a proposal to amend or rescind the regula-
6 tion, or shall publish a notice that the
7 Board has determined that no action will
8 be taken on the regulation. Such a notice
9 will be deemed a final agency action.

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

13 “(A) means a statement of general applica-
14 bility and future effect that is designed to im-
15 plement, interpret, or prescribe law or policy, or
16 to describe the procedure or practice require-
17 ments of the Board of Governors, including
18 rules, orders of general applicability, interpre-
19 tive releases, and other statements of general
20 applicability that the Board of Governors in-
21 tends to have the force and effect of law; and

22 “(B) does not include—

23 “(i) a regulation issued in accordance
24 with the formal rulemaking provisions of

1 section 556 or 557 of title 5, United States
2 Code;

3 “(ii) a regulation that is limited to the
4 organization, management, or personnel
5 matters of the Board of Governors;

6 “(iii) a regulation promulgated pursu-
7 ant to statutory authority that expressly
8 prohibits compliance with this provision; or

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

13 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion shall apply to the requirements regarding the conduct
15 of monetary policy described in section 2.

16 **SEC. 9. SALARIES, FINANCIAL DISCLOSURES, AND OFFICE**
17 **STAFF OF THE BOARD OF GOVERNORS OF**
18 **THE FEDERAL RESERVE SYSTEM.**

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

21 (1) by redesignating the second subsection (s)
22 (relating to “Assessments, Fees, and Other Charges
23 for Certain Companies”) as subsection (t); and

24 (2) by adding at the end the following new sub-
25 sections:

1 “(u) ETHICS STANDARDS FOR MEMBERS AND EM-
2 PLOYEES.—

3 “(1) PROHIBITED AND RESTRICTED FINANCIAL
4 INTERESTS AND TRANSACTIONS.—The members and
5 employees of the Board of Governors of the Federal
6 Reserve System shall be subject to the provisions
7 under section 4401.102 of title 5, Code of Federal
8 Regulations, to the same extent as such provisions
9 apply to an employee of the Securities and Exchange
10 Commission.

11 “(2) TREATMENT OF BROKERAGE ACCOUNTS
12 AND AVAILABILITY OF ACCOUNT STATEMENTS.—The
13 members and employees of the Board of Governors
14 of the Federal Reserve System shall—

15 “(A) disclose all brokerage accounts that
16 they maintain, as well as those in which they
17 control trading or have a financial interest (in-
18 cluding managed accounts, trust accounts, in-
19 vestment club accounts, and the accounts of
20 spouses or minor children who live with the
21 member or employee); and

22 “(B) with respect to any securities account
23 that the member or employee is required to dis-
24 close to the Board of Governors, authorize their

1 brokers and dealers to send duplicate account
2 statements directly to Board of Governors.

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

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

15 “(A) the employee responsibilities and con-
16 duct regulations of the Office of Personnel
17 Management under part 735 of title 5, Code of
18 Federal Regulations;

19 “(B) the canons of ethics contained in sub-
20 part C of part 200 of title 17, Code of Federal
21 Regulations, to the same extent as such subpart
22 applies to the employees of the Securities and
23 Exchange Commission; and

24 “(C) the regulations concerning the con-
25 duct of members and employees and former

1 members and employees contained in subpart M
2 of part 200 of title 17, Code of Federal Regula-
3 tions, to the same extent as such subpart ap-
4 plies to the employees of the Securities and Ex-
5 change Commission.

6 “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-
7 CIAL INFORMATION.—The Board of Governors of the Fed-
8 eral Reserve System shall make publicly available, on the
9 website of the Board of Governors, a searchable database
10 that contains the names of all members, officers, and em-
11 ployees of the Board of Governors who receive an annual
12 salary in excess of the annual rate of basic pay for GS-
13 15 of the General Schedule, and—

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

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

19 (b) OFFICE STAFF FOR EACH MEMBER OF THE
20 BOARD OF GOVERNORS.—Subsection (l) of section 11 of
21 the Federal Reserve Act (12 U.S.C. 248) is amended by
22 adding at the end the following: “Each member of the
23 Board of Governors of the Federal Reserve System may
24 employ, at a minimum, 2 individuals, with such individuals
25 selected by such member and the salaries of such individ-

1 uals set by such member. A member may employ addi-
2 tional individuals as determined necessary by the Board
3 of Governors.”.

4 **SEC. 10. REQUIREMENTS FOR INTERNATIONAL PROC-**
5 **ESSES.**

6 (a) BOARD OF GOVERNORS REQUIREMENTS.—Sec-
7 tion 11 of the Federal Reserve Act (12 U.S.C. 248), as
8 amended by section 9 of this Act, is further amended by
9 adding at the end the following new subsection:

10 “(w) INTERNATIONAL PROCESSES.—

11 “(1) NOTICE OF PROCESS; CONSULTATION.—At
12 least 30 calendar days before any member or em-
13 ployee of the Board of Governors of the Federal Re-
14 serve System participates in a process of setting fi-
15 nancial standards as a part of any foreign or multi-
16 national entity, the Board of Governors shall—

17 “(A) issue a notice of the process, includ-
18 ing the subject matter, scope, and goals of the
19 process, to the Committee on Financial Services
20 of the House of Representatives and the Com-
21 mittee on Banking, Housing, and Urban Affairs
22 of the Senate;

23 “(B) make such notice available to the
24 public, including on the website of the Board of
25 Governors; and

1 “(C) solicit public comment, and consult
2 with the committees described under subpara-
3 graph (A), with respect to the subject matter,
4 scope, and goals of the process.

5 “(2) PUBLIC REPORTS ON PROCESS.—After the
6 end of any process described under paragraph (1),
7 the Board of Governors shall issue a public report
8 on the topics that were discussed during the process
9 and any new or revised rulemakings or policy
10 changes that the Board of Governors believes should
11 be implemented as a result of the process.

12 “(3) NOTICE OF AGREEMENTS; CONSULTA-
13 TION.—At least 90 calendar days before any mem-
14 ber or employee of the Board of Governors of the
15 Federal Reserve System participates in a process of
16 setting financial standards as a part of any foreign
17 or multinational entity, the Board of Governors
18 shall—

19 “(A) issue a notice of agreement to the
20 Committee on Financial Services of the House
21 of Representatives and the Committee on Bank-
22 ing, Housing, and Urban Affairs of the Senate;

23 “(B) make such notice available to the
24 public, including on the website of the Board of
25 Governors; and

1 “(C) consult with the committees described
2 under subparagraph (A) with respect to the na-
3 ture of the agreement and any anticipated ef-
4 fects such agreement will have on the economy.

5 “(4) DEFINITION.—For purposes of this sub-
6 section, the term ‘process’ shall include any official
7 proceeding or meeting on financial regulation of a
8 recognized international organization with authority
9 to set financial standards on a global or regional
10 level, including the Financial Stability Board, the
11 Basel Committee on Banking Supervision (or a simi-
12 lar organization), and the International Association
13 of Insurance Supervisors (or a similar organiza-
14 tion).”.

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. 51. INTERNATIONAL PROCESSES.**

19 “(a) NOTICE OF PROCESS; CONSULTATION.—At least
20 30 calendar days before the Board of Directors partici-
21 pates in a process of setting financial standards as a part
22 of any foreign or multinational entity, the Board of Direc-
23 tors shall—

24 “(1) issue a notice of the process, including the
25 subject matter, scope, and goals of the process, to

1 the Committee on Financial Services of the House of
2 Representatives and the Committee on Banking,
3 Housing, and Urban Affairs of the Senate;

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

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

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

16 “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At
17 least 90 calendar days before the Board of Directors par-
18 ticipates in a process of setting financial standards as a
19 part of any foreign or multinational entity, the Board of
20 Directors shall—

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

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

3 “(3) consult with the committees described
4 under paragraph (1) with respect to the nature of
5 the agreement and any anticipated effects such
6 agreement will have on the economy.

7 “(d) DEFINITION.—For purposes of this section, the
8 term ‘process’ shall include any official proceeding or
9 meeting on financial regulation of a recognized inter-
10 national organization with authority to set financial stand-
11 ards on a global or regional level, including the Financial
12 Stability Board, the Basel Committee on Banking Super-
13 vision (or a similar organization), and the International
14 Association of Insurance Supervisors (or a similar organi-
15 zation).”.

16 (c) TREASURY REQUIREMENTS.—Section 325 of title
17 31, United States Code, is amended by adding at the end
18 the following new subsection:

19 “(d) INTERNATIONAL PROCESSES.—

20 “(1) NOTICE OF PROCESS; CONSULTATION.—At
21 least 30 calendar days before the Secretary partici-
22 pates in a process of setting financial standards as
23 a part of any foreign or multinational entity, the
24 Secretary shall—

1 “(A) issue a notice of the process, includ-
2 ing the subject matter, scope, and goals of the
3 process, to the Committee on Financial Services
4 of the House of Representatives and the Com-
5 mittee on Banking, Housing, and Urban Affairs
6 of the Senate;

7 “(B) make such notice available to the
8 public, including on the website of the Depart-
9 ment of the Treasury; and

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

14 “(2) PUBLIC REPORTS ON PROCESS.—After the
15 end of any process described under paragraph (1),
16 the Secretary shall issue a public report on the top-
17 ics that were discussed at the process and any new
18 or revised rulemakings or policy changes that the
19 Secretary believes should be implemented as a result
20 of the process.

21 “(3) NOTICE OF AGREEMENTS; CONSULTA-
22 TION.—At least 90 calendar days before the Sec-
23 retary participates in a process of setting financial
24 standards as a part of any foreign or multinational
25 entity, the Secretary shall—

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

5 “(B) make such notice available to the
6 public, including on the website of the Depart-
7 ment of the Treasury; and

8 “(C) consult with the committees described
9 under subparagraph (A) with respect to the na-
10 ture of the agreement and any anticipated ef-
11 fects such agreement will have on the economy.

12 “(4) DEFINITION.—For purposes of this sub-
13 section, the term ‘process’ shall include any official
14 proceeding or meeting on financial regulation of a
15 recognized international organization with authority
16 to set financial standards on a global or regional
17 level, including the Financial Stability Board, the
18 Basel Committee on Banking Supervision (or a simi-
19 lar organization), and the International Association
20 of Insurance Supervisors (or a similar organiza-
21 tion).”.

22 (d) OCC REQUIREMENTS.—Chapter one of title LXII
23 of the Revised Statutes of the United States (12 U.S.C.
24 21 et seq.) is amended—

1 (1) by adding at the end the following new sec-
2 tion:

3 **“SEC. 5156B. INTERNATIONAL PROCESSES.**

4 “(a) NOTICE OF PROCESS; CONSULTATION.—At least
5 30 calendar days before the Comptroller of the Currency
6 participates in a process of setting financial standards as
7 a part of any foreign or multinational entity, the Comp-
8 troller of the Currency shall—

9 “(1) issue a notice of the process, including the
10 subject matter, scope, and goals of the process, to
11 the Committee on Financial Services of the House of
12 Representatives and the Committee on Banking,
13 Housing, and Urban Affairs of the Senate;

14 “(2) make such notice available to the public,
15 including on the website of the Office of the Comp-
16 troller of the Currency; and

17 “(3) solicit public comment, and consult with
18 the committees described under paragraph (1), with
19 respect to the subject matter, scope, and goals of the
20 process.

21 “(b) PUBLIC REPORTS ON PROCESS.—After the end
22 of any process described under subsection (a), the Comp-
23 troller of the Currency shall issue a public report on the
24 topics that were discussed at the process and any new or
25 revised rulemakings or policy changes that the Comp-

1 troller of the Currency believes should be implemented as
2 a result of the process.

3 “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At
4 least 90 calendar days before the Comptroller of the Cur-
5 rency participates in a process of setting financial stand-
6 ards as a part of any foreign or multinational entity, the
7 Board of Directors shall—

8 “(1) issue a notice of agreement to the Com-
9 mittee on Financial Services of the House of Rep-
10 resentatives and the Committee on Banking, Hous-
11 ing, and Urban Affairs of the Senate;

12 “(2) make such notice available to the public,
13 including on the website of the Office of the Comp-
14 troller of the Currency; and

15 “(3) consult with the committees described
16 under paragraph (1) with respect to the nature of
17 the agreement and any anticipated effects such
18 agreement will have on the economy.

19 “(d) DEFINITION.—For purposes of this section, the
20 term ‘process’ shall include any official proceeding or
21 meeting on financial regulation of a recognized inter-
22 national organization with authority to set financial stand-
23 ards on a global or regional level, including the Financial
24 Stability Board, the Basel Committee on Banking Super-
25 vision (or a similar organization), and the International

1 Association of Insurance Supervisors (or a similar organi-
2 zation).”; and

3 (2) in the table of contents for such chapter, by
4 adding at the end the following new item:

“5156B. International processes.”.

5 (e) SECURITIES AND EXCHANGE COMMISSION RE-
6 QUIREMENTS.—Section 4 of the Securities Exchange Act
7 of 1934 (15 U.S.C. 78d) is amended by adding at the end
8 the following new subsection:

9 “(j) INTERNATIONAL PROCESSES.—

10 “(1) NOTICE OF PROCESS; CONSULTATION.—At
11 least 30 calendar days before the Commission par-
12 ticipates in a process of setting financial standards
13 as a part of any foreign or multinational entity, the
14 Commission shall—

15 “(A) issue a notice of the process, includ-
16 ing the subject matter, scope, and goals of the
17 process, to the Committee on Financial Services
18 of the House of Representatives and the Com-
19 mittee on Banking, Housing, and Urban Affairs
20 of the Senate;

21 “(B) make such notice available to the
22 public, including on the website of the Commis-
23 sion; and

24 “(C) solicit public comment, and consult
25 with the committees described under subpara-

1 graph (A), with respect to the subject matter,
2 scope, and goals of the process.

3 “(2) PUBLIC REPORTS ON PROCESS.—After the
4 end of any process described under paragraph (1),
5 the Commission shall issue a public report on the
6 topics that were discussed at the process and any
7 new or revised rulemakings or policy changes that
8 the Commission believes should be implemented as a
9 result of the process.

10 “(3) NOTICE OF AGREEMENTS; CONSULTA-
11 TION.—At least 90 calendar days before the Com-
12 mission participates in a process of setting financial
13 standards as a part of any foreign or multinational
14 entity, the Commission shall—

15 “(A) issue a notice of agreement to the
16 Committee on Financial Services of the House
17 of Representatives and the Committee on Bank-
18 ing, Housing, and Urban Affairs of the Senate;

19 “(B) make such notice available to the
20 public, including on the website of the Commis-
21 sion; and

22 “(C) consult with the committees described
23 under subparagraph (A) with respect to the na-
24 ture of the agreement and any anticipated ef-
25 fects such agreement will have on the economy.

1 “(4) DEFINITION.—For purposes of this sub-
2 section, the term ‘process’ shall include any official
3 proceeding or meeting on financial regulation of a
4 recognized international organization with authority
5 to set financial standards on a global or regional
6 level, including the Financial Stability Board, the
7 Basel Committee on Banking Supervision (or a simi-
8 lar organization), and the International Association
9 of Insurance Supervisors (or a similar organiza-
10 tion).”.

11 **SEC. 11. AMENDMENTS TO POWERS OF THE BOARD OF**
12 **GOVERNORS OF THE FEDERAL RESERVE SYS-**
13 **TEM.**

14 (a) IN GENERAL.—Section 13(3) of the Federal Re-
15 serve Act (12 U.S.C. 343(3)) is amended—

16 (1) in subparagraph (A)—

17 (A) by inserting “that pose a threat to the
18 financial stability of the United States” after
19 “unusual and exigent circumstances”; and

20 (B) by inserting “and by the affirmative
21 vote of not less than nine presidents of the Fed-
22 eral reserve banks” after “five members”;

23 (2) in subparagraph (B)—

24 (A) in clause (i), by inserting at the end
25 the following: “Federal reserve banks may not

1 accept equity securities issued by the recipient
2 of any loan or other financial assistance under
3 this paragraph as collateral. Not later than 6
4 months after the date of enactment of this sen-
5 tence, the Board shall, by rule, establish—

6 “(I) a method for determining
7 the sufficiency of the collateral re-
8 quired under this paragraph;

9 “(II) acceptable classes of collat-
10 eral;

11 “(III) the amount of any dis-
12 count of such value that the Federal
13 reserve banks will apply for purposes
14 of calculating the sufficiency of collat-
15 eral under this paragraph; and

16 “(IV) a method for obtaining
17 independent appraisals of the value of
18 collateral the Federal reserve banks
19 receive.”; and

20 (B) in clause (ii)—

21 (i) by striking the second sentence;

22 and

23 (ii) by inserting after the first sen-
24 tence the following: “A borrower shall not
25 be eligible to borrow from any emergency

1 lending program or facility unless the
2 Board and all federal banking regulators
3 with jurisdiction over the borrower certify
4 that, at the time the borrower initially bor-
5 rows under the program or facility, the
6 borrower is not insolvent.”;

7 (3) by inserting “financial institution” before
8 “participant” each place such term appears;

9 (4) in subparagraph (D)(i), by inserting “finan-
10 cial institution” before “participants”; and

11 (5) by adding at the end the following new sub-
12 paragraphs:

13 “(F) PENALTY RATE.—

14 “(i) IN GENERAL.—Not later than 6
15 months after the date of enactment of this
16 subparagraph, the Board shall, with re-
17 spect to a recipient of any loan or other fi-
18 nancial assistance under this paragraph,
19 establish by rule a minimum interest rate
20 on the principal amount of any loan or
21 other financial assistance.

22 “(ii) MINIMUM INTEREST RATE DE-
23 FINED.—In this subparagraph, the term
24 ‘minimum interest rate’ shall mean the
25 sum of—

1 “(I) the average of the secondary
2 discount rate of all Federal Reserve
3 banks over the most recent 90-day pe-
4 riod; and

5 “(II) the average of the dif-
6 ference between a distressed corporate
7 bond yield index (as defined by rule of
8 the Board) and a bond yield index of
9 debt issued by the United States (as
10 defined by rule of the Board) over the
11 most recent 90-day period.

12 “(G) FINANCIAL INSTITUTION PARTICI-
13 PANT DEFINED.—For purposes of this para-
14 graph, the term ‘financial institution partici-
15 pant’—

16 “(i) means a company that is pre-
17 dominantly engaged in financial activities
18 (as defined in section 102(a) of the Dodd-
19 Frank Wall Street Reform and Consumer
20 Protection Act (12 U.S.C. 5311(a))); and

21 “(ii) does not include an agency de-
22 scribed in subparagraph (W) of section
23 5312(a)(2) of title 31, United States Code,
24 or an entity controlled or sponsored by
25 such an agency.”.

1 (b) CONFORMING AMENDMENT.—Section
2 11(r)(2)(A) of such Act is amended—

3 (1) in clause (ii)(IV), by striking “; and” and
4 inserting a semicolon;

5 (2) in clause (iii), by striking the period at the
6 end and inserting “; and”; and

7 (3) by adding at the end the following new
8 clause:

9 “(iv) the available members secure the affirma-
10 tive vote of not less than nine presidents of the Fed-
11 eral reserve banks.”.

12 **SEC. 12. INTEREST RATES ON BALANCES MAINTAINED AT A**
13 **FEDERAL RESERVE BANK BY DEPOSITORY**
14 **INSTITUTIONS ESTABLISHED BY FEDERAL**
15 **OPEN MARKET COMMITTEE.**

16 Subparagraph (A) of section 19(b)(12) of the Federal
17 Reserve Act (12 U.S.C. 461(b)(12)(A)) is amended by in-
18 serting “established by the Federal Open Market Com-
19 mittee” after “rate or rates”.

20 **SEC. 13. AUDIT REFORM AND TRANSPARENCY FOR THE**
21 **BOARD OF GOVERNORS OF THE FEDERAL RE-**
22 **SERVE SYSTEM.**

23 (a) IN GENERAL.—Notwithstanding section 714 of
24 title 31, United States Code, or any other provision of law,
25 the Comptroller General of the United States shall annu-

1 ally complete an audit of the Board of Governors of the
2 Federal Reserve System and the Federal reserve banks
3 under subsection (b) of such section 714 within 12 months
4 after the date of the enactment of this Act.

5 (b) REPORT.—

6 (1) IN GENERAL.—Not later than 90 days after
7 each audit required pursuant to subsection (a) is
8 completed, the Comptroller General—

9 (A) shall submit to Congress a report on
10 such audit; and

11 (B) shall make such report available to the
12 Speaker of the House, the majority and minor-
13 ity leaders of the House of Representatives, the
14 majority and minority leaders of the Senate, the
15 Chairman and Ranking Member of the com-
16 mittee and each subcommittee of jurisdiction in
17 the House of Representatives and the Senate,
18 and any other Member of Congress who re-
19 quests the report.

20 (2) CONTENTS.—The report under paragraph
21 (1) shall include a detailed description of the find-
22 ings and conclusion of the Comptroller General with
23 respect to the audit that is the subject of the report,
24 together with such recommendations for legislative

1 or administrative action as the Comptroller General
2 may determine to be appropriate.

3 (c) REPEAL OF CERTAIN LIMITATIONS.—Subsection
4 (b) of section 714 of title 31, United States Code, is
5 amended by striking the second sentence.

6 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

7 (1) IN GENERAL.—Section 714 of title 31,
8 United States Code, is amended—

9 (A) in subsection (d)(3), by striking “or
10 (f)” each place such term appears;

11 (B) in subsection (e), by striking “the
12 third undesignated paragraph of section 13”
13 and inserting “section 13(3)”; and

14 (C) by striking subsection (f).

15 (2) FEDERAL RESERVE ACT.—Subsection (s)
16 (relating to “Federal Reserve Transparency and Re-
17 lease of Information”) of section 11 of the Federal
18 Reserve Act (12 U.S.C. 248) is amended—

19 (A) in paragraph (4)(A), by striking “has
20 the same meaning as in section 714(f)(1)(A) of
21 title 31, United States Code” and inserting
22 “means a program or facility, including any
23 special purpose vehicle or other entity estab-
24 lished by or on behalf of the Board of Gov-
25 ernors of the Federal Reserve System or a Fed-

1 eral reserve bank, authorized by the Board of
2 Governors under section 13(3), that is not sub-
3 ject to audit under section 714(e) of title 31,
4 United States Code”;

5 (B) in paragraph (6), by striking “or in
6 section 714(f)(3)(C) of title 31, United States
7 Code, the information described in paragraph
8 (1) and information concerning the transactions
9 described in section 714(f) of such title,” and
10 inserting “the information described in para-
11 graph (1)”;

12 (C) in paragraph (7), by striking “and sec-
13 tion 13(3)(C), section 714(f)(3)(C) of title 31,
14 United States Code, and” and inserting “, sec-
15 tion 13(3)(C), and”.

16 **SEC. 14. REPORTING REQUIREMENT FOR EXPORT-IMPORT**
17 **BANK.**

18 The Board of Governors of the Federal Reserve Sys-
19 tem shall include, as part of the monthly Federal Reserve
20 statistical release titled “Industrial Production or Capac-
21 ity Utilization” (or any successor release), an analysis
22 of—

23 (1) the impact on the index described in the
24 statistical release due to the operation of the Export-
25 Import Bank; and

1 (2) the amount of foreign industrial production
2 supported by foreign export credit agencies, using
3 the same method used to measure industrial produc-
4 tion in the statistical release and scaled to be com-
5 parable to the industrial production measurement
6 for the United States.

7 **SEC. 15. MEMBERSHIP OF BOARD OF DIRECTORS OF THE**
8 **FEDERAL RESERVE BANKS.**

9 Section 4 of the Federal Reserve Act (12 U.S.C. 302)
10 is amended—

11 (1) in the eleventh undesignated paragraph (re-
12 lating to Class B), by striking “and consumers” and
13 inserting “consumers, and traditionally underserved
14 communities and populations”; and

15 (2) in the twelfth undesignated paragraph (re-
16 lating to Class C), by striking “and consumers” and
17 inserting “consumers, and traditionally underserved
18 communities and populations”.

19 **SEC. 16. ESTABLISHMENT OF A CENTENNIAL MONETARY**
20 **COMMISSION.**

21 (a) **SHORT TITLE.**—This section may be cited as the
22 “Centennial Monetary Commission Act of 2015”.

23 (b) **FINDINGS.**—Congress finds the following:

24 (1) The Constitution endows Congress with the
25 power “to coin money, regulate the value thereof”.

1 (2) Following the financial crisis known as the
2 Panic of 1907, Congress established the National
3 Monetary Commission to provide recommendations
4 for the reform of the financial and monetary systems
5 of the United States.

6 (3) Incorporating several of the recommenda-
7 tions of the National Monetary Commission, Con-
8 gress created the Federal Reserve System in 1913.
9 As currently organized, the Federal Reserve System
10 consists of the Board of Governors in Washington,
11 District of Columbia, and the Federal Reserve
12 Banks organized into 12 districts around the United
13 States. The stockholders of the 12 Federal Reserve
14 Banks include national and certain State-chartered
15 commercial banks, which operate on a fractional re-
16 serve basis.

17 (4) Originally, Congress gave the Federal Re-
18 serve System a monetary mandate to provide an
19 elastic currency, within the context of a gold stand-
20 ard, in response to seasonal fluctuations in the de-
21 mand for currency.

22 (5) Congress also gave the Federal Reserve
23 System a financial stability mandate to serve as the
24 lender of last resort to solvent but illiquid banks
25 during a financial crisis.

1 (6) In 1977, Congress changed the monetary
2 mandate of the Federal Reserve System to a dual
3 mandate for maximum employment and stable
4 prices.

5 (7) Empirical studies and historical evidence,
6 both within the United States and in other coun-
7 tries, demonstrate that price stability is desirable be-
8 cause both inflation and deflation damage the econ-
9 omy.

10 (8) The economic challenge of recent years—
11 most notably the bursting of the housing bubble, the
12 financial crisis of 2008, and the ensuing anemic re-
13 covery—have occurred at great cost in terms of lost
14 jobs and output.

15 (9) Policymakers are reexamining the structure
16 and functioning of financial institutions and markets
17 to determine what, if any, changes need to be made
18 to place the financial system on a stronger, more
19 sustainable path going forward.

20 (10) The Federal Reserve System has taken ex-
21 traordinary actions in response to the recent eco-
22 nomic challenges.

23 (11) The Federal Open Market Committee has
24 engaged in multiple rounds of quantitative easing,
25 providing unprecedented liquidity to financial mar-

1 kets, while committing to holding short-term interest
2 rates low for a seemingly indefinite period, and pur-
3 suing a policy of credit allocation by purchasing
4 Federal agency debt and mortgage-backed securities.

5 (12) In the wake of the recent extraordinary ac-
6 tions of the Federal Reserve System, Congress—con-
7 sistent with its constitutional responsibilities and as
8 it has done periodically throughout the history of the
9 United States—has once again renewed its examina-
10 tion of monetary policy.

11 (13) Central in such examination has been a re-
12 newed look at what is the most proper mandate for
13 the Federal Reserve System to conduct monetary
14 policy in the 21st century.

15 (c) ESTABLISHMENT OF A CENTENNIAL MONETARY
16 COMMISSION.—There is established a commission to be
17 known as the “Centennial Monetary Commission” (in this
18 section referred to as the “Commission”).

19 (d) STUDY AND REPORT ON MONETARY POLICY.—

20 (1) STUDY.—The Commission shall—

21 (A) examine how United States monetary
22 policy since the creation of the Board of Gov-
23 ernors of the Federal Reserve System in 1913
24 has affected the performance of the United

1 States economy in terms of output, employ-
2 ment, prices, and financial stability over time;

3 (B) evaluate various operational regimes
4 under which the Board of Governors of the
5 Federal Reserve System and the Federal Open
6 Market Committee may conduct monetary pol-
7 icy in terms achieving the maximum sustainable
8 level of output and employment and price sta-
9 bility over the long term, including—

10 (i) discretion in determining monetary
11 policy without an operational regime;

12 (ii) price level targeting;

13 (iii) inflation rate targeting;

14 (iv) nominal gross domestic product
15 targeting (both level and growth rate);

16 (v) the use of monetary policy rules;

17 and

18 (vi) the gold standard;

19 (C) evaluate the use of macro-prudential
20 supervision and regulation as a tool of mone-
21 tary policy in terms of achieving the maximum
22 sustainable level of output and employment and
23 price stability over the long term;

24 (D) evaluate the use of the lender-of-last-
25 resort function of the Board of Governors of

1 the Federal Reserve System as a tool of mone-
2 tary policy in terms of achieving the maximum
3 sustainable level of output and employment and
4 price stability over the long term;

5 (E) recommend a course for United States
6 monetary policy going forward, including—

7 (i) the legislative mandate;

8 (ii) the operational regime;

9 (iii) the securities used in open mar-
10 ket operations; and

11 (iv) transparency issues; and

12 (F) consider the effects of the GDP output
13 and employment targets of the “dual mandate”
14 (both from the creation of the dual mandate in
15 1977 until the present time and estimates of
16 the future effect of the dual mandate) on—

17 (i) United States economic activity;

18 (ii) Federal Reserve actions; and

19 (iii) Federal debt.

20 (2) REPORT.—Not later than December 1,
21 2016, the Commission shall submit to Congress and
22 make publicly available a report containing a state-
23 ment of the findings and conclusions of the Commis-
24 sion in carrying out the study under paragraph (1),
25 together with the recommendations the Commission

1 considers appropriate. In making such report, the
2 Commission shall specifically report on the consider-
3 ations required under paragraph (1)(F).

4 (e) MEMBERSHIP.—

5 (1) NUMBER AND APPOINTMENT.—

6 (A) APPOINTED VOTING MEMBERS.—The
7 Commission shall contain 12 voting members as
8 follows:

9 (i) Six members appointed by the
10 Speaker of the House of Representatives,
11 with four members from the majority party
12 and two members from the minority party.

13 (ii) Six members appointed by the
14 President Pro Tempore of the Senate, with
15 four members from the majority party and
16 two members from the minority party.

17 (B) CHAIRMAN.—The Speaker of the
18 House of Representatives and the majority
19 leader of the Senate shall jointly designate one
20 of the members of the Commission as Chair-
21 man.

22 (C) NON-VOTING MEMBERS.—The Com-
23 mission shall contain 2 non-voting members as
24 follows:

1 (i) One member appointed by the Sec-
2 retary of the Treasury.

3 (ii) One member who is the president
4 of a district Federal reserve bank ap-
5 pointed by the Chair of the Board of Gov-
6 ernors of the Federal Reserve System.

7 (2) PERIOD OF APPOINTMENT.—Each member
8 shall be appointed for the life of the Commission.

9 (3) TIMING OF APPOINTMENT.—All members of
10 the Commission shall be appointed not later than 30
11 days after the date of the enactment of this section.

12 (4) VACANCIES.—A vacancy in the Commission
13 shall not affect its powers, and shall be filled in the
14 manner in which the original appointment was
15 made.

16 (5) MEETINGS.—

17 (A) INITIAL MEETING.—The Commission
18 shall hold its initial meeting and begin the oper-
19 ations of the Commission as soon as is prac-
20 ticable.

21 (B) FURTHER MEETINGS.—The Commis-
22 sion shall meet upon the call of the Chair or a
23 majority of its members.

1 (6) QUORUM.—Seven voting members of the
2 Commission shall constitute a quorum but a lesser
3 number may hold hearings.

4 (7) MEMBER OF CONGRESS DEFINED.—In this
5 subsection, the term “Member of Congress” means
6 a Senator or a Representative in, or Delegate or
7 Resident Commissioner to, the Congress.

8 (f) POWERS.—

9 (1) HEARINGS AND SESSIONS.—The Commis-
10 sion or, on the authority of the Commission, any
11 subcommittee or member thereof, may, for the pur-
12 pose of carrying out this section, hold hearings, sit
13 and act at times and places, take testimony, receive
14 evidence, or administer oaths as the Commission or
15 such subcommittee or member thereof considers ap-
16 propriate.

17 (2) CONTRACT AUTHORITY.—To the extent or
18 in the amounts provided in advance in appropriation
19 Acts, the Commission may contract with and com-
20 pensate government and private agencies or persons
21 to enable the Commission to discharge its duties
22 under this section, without regard to section 3709 of
23 the Revised Statutes (41 U.S.C. 5).

24 (3) OBTAINING OFFICIAL DATA.—

1 (A) IN GENERAL.—The Commission is au-
2 thorized to secure directly from any executive
3 department, bureau, agency, board, commission,
4 office, independent establishment, or instrumen-
5 tality of the Government, any information, in-
6 cluding suggestions, estimates, or statistics, for
7 the purposes of this section.

8 (B) REQUESTING OFFICIAL DATA.—The
9 head of such department, bureau, agency,
10 board, commission, office, independent estab-
11 lishment, or instrumentality of the government
12 shall, to the extent authorized by law, furnish
13 such information upon request made by—

14 (i) the Chair;

15 (ii) the Chair of any subcommittee
16 created by a majority of the Commission;
17 or

18 (iii) any member of the Commission
19 designated by a majority of the commission
20 to request such information.

21 (4) ASSISTANCE FROM FEDERAL AGENCIES.—

22 (A) GENERAL SERVICES ADMINISTRA-
23 TION.—The Administrator of General Services
24 shall provide to the Commission on a reimburs-
25 able basis administrative support and other

1 services for the performance of the functions of
2 the Commission.

3 (B) OTHER DEPARTMENTS AND AGEN-
4 CIES.—In addition to the assistance prescribed
5 in subparagraph (A), at the request of the
6 Commission, departments and agencies of the
7 United States shall provide such services, funds,
8 facilities, staff, and other support services as
9 may be authorized by law.

10 (5) POSTAL SERVICE.—The Commission may
11 use the United States mails in the same manner and
12 under the same conditions as other departments and
13 agencies of the United States.

14 (g) COMMISSION PERSONNEL.—

15 (1) APPOINTMENT AND COMPENSATION OF
16 STAFF.—

17 (A) IN GENERAL.—Subject to rules pre-
18 scribed by the Commission, the Chair may ap-
19 point and fix the pay of the executive director
20 and other personnel as the Chair considers ap-
21 propriate.

22 (B) APPLICABILITY OF CIVIL SERVICE
23 LAWS.—The staff of the Commission may be
24 appointed without regard to the provisions of
25 title 5, United States Code, governing appoint-

1 ments in the competitive service, and may be
2 paid without regard to the provisions of chapter
3 51 and subchapter III of chapter 53 of that
4 title relating to classification and General
5 Schedule pay rates, except that an individual so
6 appointed may not receive pay in excess of level
7 V of the Executive Schedule.

8 (2) CONSULTANTS.—The Commission may pro-
9 cure temporary and intermittent services under sec-
10 tion 3109(b) of title 5, United States Code, but at
11 rates for individuals not to exceed the daily equiva-
12 lent of the rate of pay for a person occupying a posi-
13 tion at level IV of the Executive Schedule.

14 (3) STAFF OF FEDERAL AGENCIES.—Upon re-
15 quest of the Commission, the head of any Federal
16 department or agency may detail, on a reimbursable
17 basis, any of the personnel of such department or
18 agency to the Commission to assist it in carrying out
19 its duties under this section.

20 (h) TERMINATION OF COMMISSION.—

21 (1) IN GENERAL.—The Commission shall termi-
22 nate on June 1, 2017.

23 (2) ADMINISTRATIVE ACTIVITIES BEFORE TER-
24 MINATION.—The Commission may use the period be-
25 tween the submission of its report and its termi-

1 nation for the purpose of concluding its activities,
2 including providing testimony to the committee of
3 Congress concerning its report.

4 (i) **AUTHORIZATION OF APPROPRIATIONS.**—There is
5 authorized to be appropriated to carry out this section
6 \$1,000,000, which shall remain available until the date on
7 which the Commission terminates.

8 **SEC. 17. ELIMINATION OF SURPLUS FUNDS OF FEDERAL**
9 **RESERVE BANKS.**

10 (a) **IN GENERAL.**—Section 7 of the Federal Reserve
11 Act (12 U.S.C. 289 et seq.) is amended—

12 (1) in subsection (a)—

13 (A) in the heading of such subsection, by
14 striking “AND SURPLUS FUNDS”;

15 (B) in paragraph (2), by striking “depos-
16 ited in the surplus fund of the bank” and in-
17 serting “transferred to the Board of Governors
18 of the Federal Reserve System for transfer to
19 the Secretary of the Treasury for deposit in the
20 general fund of the Treasury”; and

21 (C) by striking the first subsection (b) (re-
22 lating to a transfer for fiscal year 2000).

23 (b) **TRANSFER TO THE TREASURY.**—The Federal re-
24 serve banks shall transfer all of the funds of the surplus
25 funds of such banks to the Board of Governors of the Fed-

1 eral Reserve System for transfer to the Secretary of the
2 Treasury for deposit in the general fund of the Treasury.

3 **SEC. 18. PUBLIC TRANSCRIPTS OF FOMC MEETINGS.**

4 Section 12A of the Federal Reserve Act (12 U.S.C.
5 263), as amended by this Act, is further amended by add-
6 ing at the end the following:

7 “(e) PUBLIC TRANSCRIPTS OF MEETINGS.—The
8 Committee shall—

9 “(1) record all meetings of the Committee; and

10 “(2) make the full transcript of such meetings
11 available to the public.”.

Passed the House of Representatives November 19,
2015.

Attest:

KAREN L. HAAS,

Clerk.