

119TH CONGRESS  
1ST SESSION

# H. R. 3390

To amend the Federal Reserve Act to require the Board of Governors of the Federal Reserve System to carry out a review of discount window operations and to implement improvements to such operations, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2025

Ms. DE LA CRUZ (for herself, Mr. MEUSER, and Mr. LUCAS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Federal Reserve Act to require the Board of Governors of the Federal Reserve System to carry out a review of discount window operations and to implement improvements to such operations, 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 “Bringing the Discount  
5 Window into the 21st Century Act”.

1 **SEC. 2. REVIEW OF DISCOUNT WINDOW OPERATIONS.**

2 Section 10 of the Federal Reserve Act (12 U.S.C. 241  
3 et seq.) is amended—

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

6 (2) by adding at the end the following:

7 “(12) REVIEW OF DISCOUNT WINDOW OPER-  
8 ATIONS.—

9 “(A) IN GENERAL.—Not later than 60  
10 days after the date of enactment of this para-  
11 graph, the Board of Governors shall commence  
12 a review of the discount window lending pro-  
13 grams of the Federal reserve banks (the ‘dis-  
14 count window’), and shall complete such review  
15 not later than 240 days after the date of enact-  
16 ment of this paragraph.

17 “(B) CONTENTS.—The review required by  
18 subparagraph (A) shall include a consideration  
19 of—

20 “(i) the effectiveness of the discount  
21 window in providing liquidity to financial  
22 institutions, including in times of financial  
23 stress;

24 “(ii) whether the technology infra-  
25 structure, including means of communica-  
26 tions, are sufficient to support the timely

1 provision of liquidity, including in times of  
2 financial stress;

3 “(iii) the effectiveness of cybersecurity  
4 measures;

5 “(iv) the effectiveness of communica-  
6 tions between Federal reserve banks re-  
7 garding discount window operations;

8 “(v) the effectiveness of the Board of  
9 Governors in providing oversight of the  
10 discount window;

11 “(vi) how the discount window inter-  
12 acts with other providers of liquidity, in-  
13 cluding the Federal Home Loan Banks,  
14 during both normal operations and times  
15 of financial distress; and

16 “(vii) the effectiveness of existing dis-  
17 count window operating hours and whether  
18 such hours should be expanded, taking into  
19 account the interaction between discount  
20 window operating hours and the operating  
21 hours of payment systems of the Board of  
22 Governors and Federal reserve banks, such  
23 as FedWire and FedNow.

24 “(C) PUBLIC COMMENT.—In carrying out  
25 the review required by subparagraph (A), the

1 Board of Governors shall provide the public  
2 with an opportunity to comment on the effec-  
3 tiveness of discount window operations and to  
4 offer suggestions for improving operations.

5 “(D) REMEDIATION PLAN.—After com-  
6 pleting the review required by subparagraph (A)  
7 and considering any public comments received  
8 pursuant to subparagraph (C), the Board of  
9 Governors shall develop, and approve by a vote  
10 of the Board of Governors, a written plan to re-  
11 mediate any identified deficiencies or areas for  
12 enhancing effectiveness of the discount window,  
13 which shall include—

14 “(i) an identification of actions that  
15 the Board of Governors will take to reme-  
16 diate those deficiencies;

17 “(ii) timelines and milestones for im-  
18 plementing the plan and measures to dem-  
19 onstrate how the Board of Governors will  
20 maintain implemented improvements on an  
21 ongoing basis; and

22 “(iii) measures of managing and con-  
23 trolling deficiencies until the plan is imple-  
24 mented in full.

1           “(E) REPORT TO CONGRESS ON REVIEW  
2           AND PLAN.—

3           “(i) IN GENERAL.—Not later than  
4           365 days after the date of enactment of  
5           this paragraph, the Board of Governors  
6           shall, after approval by a vote of the Board  
7           of Governors, submit a report to the Com-  
8           mittee on Financial Services of the House  
9           of Representatives and the Committee on  
10          Banking, Housing, and Urban Affairs of  
11          the Senate containing—

12                   “(I) the findings of the review re-  
13                   quired by subparagraph (A); and

14                   “(II) the remediation plan re-  
15                   quired by subparagraph (D).

16           “(ii) CONSULTATION.—Before submit-  
17          ting the report required by clause (i), the  
18          Board of Governors shall—

19                   “(I) provide a copy of the pro-  
20                   posed report to the Comptroller Gen-  
21                   eral of the United States and the In-  
22                   spector General of the Board of Gov-  
23                   ernors of the Federal Reserve System  
24                   and the Bureau of Consumer Finan-  
25                   cial Protection; and

1                   “(II) provide the Comptroller  
2                   General and Inspector General with  
3                   an opportunity to provide feedback on  
4                   the report.

5                   “(iii) TESTIMONY.—The Chairman of  
6                   the Board of Governors shall testify before  
7                   the Committee on Financial Services of the  
8                   House of Representatives and the Com-  
9                   mittee on Banking, Housing, and Urban  
10                  Affairs of the Senate with respect to the  
11                  contents of the report required under this  
12                  subparagraph.

13               “(F) ANNUAL REPORTS TO CONGRESS.—

14               “(i) REPORTS BY THE BOARD.—The  
15               Board of Governors shall submit an annual  
16               report to the Committee on Financial Serv-  
17               ices of the House of Representatives and  
18               the Committee on Banking, Housing, and  
19               Urban Affairs of the Senate containing a  
20               review of the effectiveness of discount win-  
21               dow operations.

22               “(ii) REPORTS BY THE INSPECTOR  
23               GENERAL.—The Inspector General of the  
24               Board of Governors of the Federal Reserve  
25               System and the Bureau of Consumer Fi-

1           nancial Protection shall submit an annual  
2           report to the Committee on Financial Serv-  
3           ices of the House of Representatives and  
4           the Committee on Banking, Housing, and  
5           Urban Affairs of the Senate containing a  
6           report on the progress of the Board of  
7           Governors in implementing the remediation  
8           plan required by subparagraph (D).

9           “(G) CONFIDENTIAL REPORT INFORMA-  
10          TION.—Any report required under this para-  
11          graph may contain a confidential annex con-  
12          taining information that details any cybersecu-  
13          rity deficiencies or any deficiencies which, if  
14          made public, could cause financial instability.”.

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