

119TH CONGRESS
2D SESSION

H. R. 3390

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2026

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Bringing the Discount
3 Window into the 21st Century Act”.

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

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

7 (1) by redesignating paragraph (12) as para-
8 graph (11); and

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

10 “(12) REVIEW OF DISCOUNT WINDOW OPER-
11 ATIONS.—

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

20 “(B) CONTENTS.—The review required by
21 subparagraph (A) shall include a consideration
22 of—

23 “(i) the effectiveness of the discount
24 window in providing liquidity to financial
25 institutions, including in times of financial
26 stress;

1 “(ii) whether the technology infra-
2 structure, including means of communica-
3 tions, are sufficient to support the timely
4 provision of liquidity, including in times of
5 financial stress;

6 “(iii) the effectiveness of cybersecurity
7 measures implemented with respect to dis-
8 count window operations;

9 “(iv) the effectiveness of communica-
10 tions between Federal reserve banks, fi-
11 nancial institutions, the Board of Gov-
12 ernors, the Federal Deposit Insurance Cor-
13 poration, the Comptroller of the Currency,
14 and the Secretary of the Treasury regard-
15 ing discount window operations;

16 “(v) the effectiveness of the Board of
17 Governors in providing oversight of the
18 discount window and in ensuring con-
19 sistent access to the discount window
20 across the Federal Reserve System;

21 “(vi) how the discount window inter-
22 acts with other providers of liquidity, in-
23 cluding the Federal Home Loan Banks,
24 during both normal operations and times
25 of financial distress;

1 “(vii) the effectiveness of existing dis-
2 count window operating hours and whether
3 such hours should be expanded, taking into
4 account the interaction between discount
5 window operating hours and the operating
6 hours of payment systems of the Federal
7 reserve banks, such as the Fedwire Funds
8 Service and FedNow Service;

9 “(viii) the impact of mobile banking
10 and instant communications technology on
11 depositor behavior and liquidity risk posed
12 to financial institutions, including how the
13 discount window can—

14 “(I) help financial institutions
15 better respond to rapid liquidity short-
16 falls; and

17 “(II) prevent broader financial
18 instability; and

19 “(ix) the effectiveness of the discount
20 window in light of the stigma associated
21 with its usage, ways to reduce such stigma,
22 and ways to improve access, operational ef-
23 ficiency, transparency, and timeliness of
24 the process for financial institutions seek-

1 ing advances, including on the pricing and
2 other terms of such advances.

3 “(C) REMEDIATION PLAN.—After the
4 Board of Governors completes the review re-
5 quired by subparagraph (A), the Board of Gov-
6 ernors, in consultation with the Federal reserve
7 banks, shall—

8 “(i) identify deficiencies with the dis-
9 count window and areas for enhancing dis-
10 count window effectiveness; and

11 “(ii) develop a written plan to reme-
12 diate the identified deficiencies and imple-
13 ment the identified enhancements, which
14 shall include—

15 “(I) an identification of actions
16 that will be taken to enhance discount
17 window effectiveness and remediate
18 identified deficiencies;

19 “(II) timelines and milestones for
20 implementing the plan and measures
21 to demonstrate how the implemented
22 improvements will be maintained on
23 an ongoing basis; and

24 “(III) measures of managing and
25 controlling any deficiencies and cur-

1 rent operations until the plan is im-
2 plemented in full.

3 “(D) REPORT TO CONGRESS ON REVIEW
4 AND PLAN.—

5 “(i) IN GENERAL.—Not later than
6 365 days after the date of enactment of
7 this paragraph, the Board of Governors
8 shall submit a report to the Committee on
9 Financial Services of the House of Rep-
10 resentatives and the Committee on Bank-
11 ing, Housing, and Urban Affairs of the
12 Senate containing—

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

15 “(II) the remediation plan re-
16 quired by subparagraph (C).

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

20 “(I) provide a copy of the pro-
21 posed report to the Comptroller of the
22 Currency, the Federal Deposit Insur-
23 ance Corporation, and the Secretary
24 of the Treasury; and

1 “(II) provide the Comptroller of
2 the Currency, the Federal Deposit In-
3 surance Corporation, and the Sec-
4 retary of the Treasury with an oppor-
5 tunity to provide feedback on the re-
6 port.

7 “(iii) TESTIMONY.—The Chairman of
8 the Board of Governors shall, at the semi-
9 annual hearing required under section 2B,
10 testify with respect to the contents of the
11 report required under this subparagraph.

12 “(E) ANNUAL REPORTS TO CONGRESS.—

13 “(i) REPORTS BY THE BOARD.—The
14 Board of Governors shall submit an annual
15 report to the Committee on Financial Serv-
16 ices of the House of Representatives and
17 the Committee on Banking, Housing, and
18 Urban Affairs of the Senate containing a
19 review of the effectiveness of discount win-
20 dow operations and a progress report on
21 the actions taken to implement the identi-
22 fied enhancements described in subpara-
23 graph (C).

24 “(ii) REPORTS BY THE INSPECTOR
25 GENERAL.—The Inspector General of the

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

11 “(F) CONFIDENTIAL REPORT INFORMA-
12 TION.—Any report required under this para-
13 graph may contain a confidential annex con-
14 taining information that, if made public,
15 could—

16 “(i) impact monetary policy, financial
17 stability, or cybersecurity; or

18 “(ii) significantly endanger the finan-
19 cial stability of any financial institution.

20 “(G) REPEAL.—This paragraph shall be
21 repealed on the date on which the Board of
22 Governors notifies the Congress and publishes
23 on a public website of the Board of Governors

1 that the remediation plan required under sub-
2 paragraph (C) has been fully implemented.”.

Passed the House of Representatives February 9,
2026.

Attest: KEVIN F. MCCUMBER,
Clerk.