

Union Calendar No. 692

119TH CONGRESS
2D SESSION

H. R. 9331

[Report No. 119-792]

To amend the Expedited Funds Availability Act to provide exceptions in the case of fraudulent checks or wire transfers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2026

Mrs. KIM introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 1, 2026

Additional sponsors: Mr. LAWLER, Mr. VICENTE GONZALEZ of Texas, and Ms. GARCIA of Texas

SEPTEMBER 1, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on June 18, 2026]

A BILL

To amend the Expedited Funds Availability Act to provide exceptions in the case of fraudulent checks or wire transfers, 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 “Strengthening Trans-*
 5 *action Oversight and Preventing Payments Fraud Act of*
 6 *2026” or the “STOP Payments Fraud Act of 2026”.*

7 **SEC. 2. PARITY OF AVAILABILITY FOR CERTAIN CHECKS.**

8 *(a) IN GENERAL.—Section 603 of the Expedited Funds*
 9 *Availability Act (12 U.S.C. 4002) is amended—*

10 *(1) in subsection (d)—*

11 *(A) by striking “shall” and inserting*
 12 *“may”; and*

13 *(B) by striking “to as short a time as pos-*
 14 *sible and equal”; and*

15 *(2) by adding at the end the following:*

16 *“(g) PARITY OF AVAILABILITY FOR CERTAIN CHECKS*
 17 *DURING TIMES OF MATERIAL FRAUD LOSSES.—*

18 *“(1) DETERMINATION.—*

19 *“(A) Before the date that is six months from*
 20 *the date of enactment of the Strengthening*
 21 *Transaction Oversight and Preventing Payments*
 22 *Fraud Act of 2026, the Board, jointly with the*
 23 *Director of the Bureau of Consumer Financial*
 24 *Protection, shall determine, with respect to each*
 25 *class of checks described in paragraph (5),*

1 *whether the provisions of paragraph (3) should*
2 *apply to that class of checks.*

3 “(B) *After the date that is six months from*
4 *the date of enactment of the Strengthening*
5 *Transaction Oversight and Preventing Payments*
6 *Fraud Act of 2026, the Board, jointly with the*
7 *Director of the Bureau of Consumer Financial*
8 *Protection, may determine, with respect to a*
9 *class of checks described in paragraph (5), that*
10 *the provisions of paragraph (3) should apply to*
11 *that class of checks.*

12 “(2) *When making a determination under para-*
13 *graph (1), the Board and the Director of the Bureau*
14 *of Consumer Financial Protection shall consider—*

15 “(A) *whether the Treasury of the United*
16 *States or depository institutions, as applicable,*
17 *are experiencing material losses from fraud re-*
18 *lated to that class of checks; and*

19 “(B) *the impact that a determination under*
20 *paragraph (1) would have on persons sending or*
21 *receiving checks of such class of checks.*

22 “(3) *If the Board, jointly with the Director of the*
23 *Bureau of Consumer Financial Protection, makes an*
24 *affirmative determination with respect to a class of*
25 *checks under paragraph (1), then—*

1 “(A) notwithstanding subsection (a), funds
2 deposited in an account at a depository institu-
3 tion by checks of such class shall be available to
4 the same extent as funds shall be available when
5 deposited by check drawn on a local originating
6 depository institution under subsection (b)(1);
7 and

8 “(B) the Board, jointly with the Director of
9 the Bureau of Consumer Financial Protection,
10 no later than 60 days after the date of the deter-
11 mination, shall submit a report to the Committee
12 on Banking, Housing, and Urban Affairs of the
13 Senate and the Committee on Financial Services
14 of the House of Representatives explaining the
15 basis for such affirmative determination.

16 “(4) In respect of each determination under
17 paragraph (1), the provisions of paragraph (3) are ef-
18 fective for a time to be determined by the Board,
19 jointly with the Director of the Bureau of Consumer
20 Financial Protection. Such period may be no longer
21 than one year.

22 “(5) The classes of checks described in this para-
23 graph are the following:

24 “(A) The class of checks described in sub-
25 section (a)(2)(A).

1 “(B) *The class of checks described in sub-*
 2 *section (a)(2)(F).*”.

3 **SEC. 3. EXCEPTION TO FUNDS AVAILABILITY REQUIRE-**
 4 **MENTS IN THE CASE OF FRAUD.**

5 (a) *IN GENERAL.*—Section 604(c) of the *Expedited*
 6 *Funds Availability Act* (12 U.S.C. 4003(c)) is amended—

7 (1) *in paragraph (1)—*

8 (A) *in the heading of the paragraph, by*
 9 *striking “IN GENERAL” and inserting “COLLECT-*
 10 *ABILITY”;* and

11 (B) *by inserting after “subsections (a)(2),*
 12 *(b), (c), and (e) of section 603” the following:*
 13 *“and paragraphs (1) and (3) of subsection (a) of*
 14 *this section”;*

15 (2) *by redesignating paragraphs (2) through (4)*
 16 *as paragraphs (3) through (5), respectively;*

17 (3) *by inserting after paragraph (1) the fol-*
 18 *lowing:*

19 “(2) *FRAUD.*—

20 “(A) *REGULATIONS.*—*In accordance with*
 21 *regulations which the Board, jointly with the Di-*
 22 *rector of the Bureau of Consumer Financial Pro-*
 23 *tection, shall prescribe, subsections (a)(2), (b),*
 24 *(c), and (e) of section 603 and paragraphs (1)*
 25 *and (3) of subsection (a) of this section shall not*

1 *apply with respect to any check deposited in an*
2 *account at a depository institution if the receiv-*
3 *ing depository institution has reasonable sus-*
4 *picion to believe that the check is false, unau-*
5 *thorized, or otherwise involves fraud. For pur-*
6 *poses of the preceding sentence, reasonable sus-*
7 *picion to believe that a check is false, unauthor-*
8 *ized, or otherwise involves fraud requires the ex-*
9 *istence of indicators that would lead a reasonable*
10 *person to suspect that the check involves fraud.*
11 *Such reasons shall be included in the notice re-*
12 *quired under subsection (f).*

13 *“(B) DELAYED AVAILABILITY.—The regula-*
14 *tions issued pursuant to this paragraph shall*
15 *prescribe an initial hold (time period of delayed*
16 *funds availability), not to exceed 10 days, an ex-*
17 *tended hold (time period of delayed funds avail-*
18 *ability), not to exceed 45 days, to allow the re-*
19 *ceiving depository institution to determine if it*
20 *has reasonable suspicion under subparagraph*
21 *(A). The regulations may prescribe different ini-*
22 *tial and extended hold timelines based on the*
23 *dollar amount of the funds in question and other*
24 *relevant criteria. The regulations may also in-*
25 *clude conditions a receiving depository institu-*

tion must satisfy with respect to any hold or delay of funds availability pursuant to this paragraph.

“(C) *ADDITIONAL NOTICE.*—The regulations issued pursuant to this paragraph may provide for additional notifications to a payor, a receiving depository institution, and a depositor beyond what is otherwise required pursuant to subsection (f) to keep relevant persons informed of the status of a hold.

“(D) *RULE OF APPLICATION.*—A receiving depository institution that has reasonable suspicion to believe that a check is false, unauthorized, or otherwise involves fraud, as described in subparagraph (A), may also have reasonable cause to believe that such check is uncollectible from the originating depository institution, as described in paragraph (1).”; and

(4) in paragraph (4), as so redesignated, by striking “paragraph (1)” and inserting “paragraph (1) or (2)”.

1 **SEC. 4. EXCEPTION TO FUNDS AVAILABILITY REQUIRE-**
 2 **MENTS IN THE CASE OF CERTAIN ACCOUNTS**
 3 **AND FRAUDULENT WIRE TRANSFERS.**

4 (a) *IN GENERAL.*—Section 604 of the *Expedited Funds*
 5 *Availability Act* (12 U.S.C. 4003) is amended by adding
 6 *at the end the following:*

7 “(g) *APPLICATION OF CERTAIN EXCEPTIONS IN CIR-*
 8 *CUMSTANCES WITH GREATER FRAUD RISK.*—With respect
 9 *to an account established at a depository institution, and*
 10 *without regard to whether the account was established by*
 11 *a new depositor, upon the occurrence of circumstances iden-*
 12 *tified by rule by the Board, jointly with the Director of the*
 13 *Bureau of Consumer Financial Protection, as associated*
 14 *with greater fraud risk, the provisions of paragraphs (1)*
 15 *through (3) of subsection (a) shall apply with respect to*
 16 *any deposit in such account for a period of time determined*
 17 *by rule by the Board, jointly with the Director of the Bu-*
 18 *reau of Consumer Financial Protection, but not to exceed*
 19 *60 days for each such occurrence.*

20 “(h) *REASONABLE SUSPICION EXCEPTION FOR WIRE*
 21 *TRANSFERS.*—

22 “(1) *IN GENERAL.*—In accordance with regula-
 23 *tions which the Board, jointly with the Director of the*
 24 *Bureau of Consumer Financial Protection, shall pre-*
 25 *scribe, section 603(a)(1)(B) and subsection (a)(1)(B)*
 26 *of this section shall not apply with respect to funds*

1 received by a depository institution by wire transfer
2 if the receiving depository institution has reasonable
3 suspicion to believe that the wire transfer is false, un-
4 authorized, or otherwise involves fraud. For purposes
5 of the preceding sentence, reasonable suspicion to be-
6 lieve that a wire transfer is false, unauthorized, or
7 otherwise involves fraud requires the existence of indi-
8 cators that would lead a reasonable person to suspect
9 that the wire transfer involves fraud. Such reasons
10 shall be included in the notice required under sub-
11 section (f).

12 “(2) *DELAYED AVAILABILITY.*—The regulations
13 issued pursuant to this subsection shall prescribe an
14 initial hold (time period of delayed funds avail-
15 ability), not to exceed 10 days, an extended hold (time
16 period of delayed funds availability), not to exceed 45
17 days, to allow the receiving depository institution to
18 determine if it has reasonable suspicion under para-
19 graph (1). The regulations may prescribe different
20 initial and extended hold timelines based on the dol-
21 lar amount of the funds in question and other rel-
22 evant criteria. The regulations may also include con-
23 ditions a receiving depository institution must satisfy
24 with respect to any hold or delay of funds availability
25 pursuant to this subsection.

1 “(3) *ADDITIONAL NOTICE.*—*The regulations*
2 *issued pursuant to this subsection may provide for*
3 *additional notifications to a payor, a receiving depos-*
4 *itory institution, and a depositor beyond what is oth-*
5 *erwise required pursuant to subsection (f) to keep rel-*
6 *evant persons informed of the status of a hold.*

7 “(4) *BASIS FOR DETERMINATION.*—*No deter-*
8 *mination under this subsection may be based on any*
9 *class of wire transfers or persons.*

10 “(5) *OVERDRAFT FEES.*—*If the receiving deposi-*
11 *tory institution determines that a wire transfer for*
12 *credit to an account is a wire transfer described in*
13 *paragraph (1), the receiving depository institution*
14 *shall not assess any fee for any subsequent overdraft*
15 *with respect to such account, if—*

16 “(A) *the depositor was not provided with*
17 *the written notice required under subsection (f)*
18 *(with respect to such determination) at the time*
19 *the wire transfer was delayed for credit; and*

20 “(B) *the overdraft would not have occurred*
21 *but for the fact that the funds so transferred are*
22 *not available.*

23 “(6) *COMPLIANCE.*—*Each agency referred to in*
24 *section 610(a) shall monitor compliance with the re-*
25 *quirements of this subsection in each regular exam-*

1 *ination of a depository institution. For the purpose*
 2 *of this paragraph, each depository institution shall*
 3 *retain a record of each notice provided under sub-*
 4 *section (f) as a result of the application of this sub-*
 5 *section.*

6 “(i) *RULE OF CONSTRUCTION.—Nothing in this Act*
 7 *may be construed to restrict or prohibit a depository insti-*
 8 *tution involved with a deposit by check or wire transfer*
 9 *from communicating to any other depository institution*
 10 *also involved with the deposit that a depository institution*
 11 *has invoked an exception under this section to some or all*
 12 *of the requirements of section 603 with respect to the de-*
 13 *posit.”.*

14 (b) *TIME FOR NOTICE.—Section 604(f)(2)(C) of the*
 15 *Expedited Funds Availability Act (12 U.S.C.*
 16 *4003(f)(2)(C)) is amended by striking “subsection (d) or*
 17 *(e)” and inserting “subsection (c)(2), (d), (e) or (h)”.*

18 **SEC. 5. STUDY AND REPORT ON FUNDS AVAILABILITY.**

19 (a) *STUDY.—The Comptroller General of the United*
 20 *States shall conduct a study of—*

21 (1) *State laws addressing funds availability and*
 22 *safeguards to protect against fraud, including per-*
 23 *mitted hold periods for investigating fraud concerns;*

24 (2) *the extent to which depository institutions*
 25 *make funds available to consumers for local and*

3 (3) the length of time within which depository
4 institutions involved with a deposit by check conduct
5 investigations of the nonpayment of local and
6 nonlocal checks;

7 (4) the appropriateness of the time periods and
8 amount limits applicable under sections 603 and 604,
9 as in effect on June 30, 2026; and

(5) administrative and legislative reform options to further mitigate payment fraud risk and any associated consumer harm, including with respect to forms of payments covered and not covered by the Expedited Funds Availability Act.

(b) *REPORT TO CONGRESS.*—Within nine months of the effective date of rules implementing this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the findings of the study required under subsection (a).

22 *SEC. 6. RULEMAKING REQUIRED AND DELAYED EFFECTIVE*
23 *DATE.*

24 (a) *RULEMAKING REQUIRED.*—Not later than one year
25 after the date of enactment of this Act, the Board of Gov-

1 *ernors of the Federal Reserve System, jointly with the Di-*
2 *rector of the Bureau of Consumer Financial Protection,*
3 *shall adopt final rules implementing the amendments made*
4 *by section 3(a)(3) and section 4.*

5 *(b) DELAYED EFFECTIVE DATE.—The amendments*
6 *made by section 3(a)(3) and section 4 shall take effect 60*
7 *days after the rules described in subsection (a) are adopted.*

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