

105TH CONGRESS
1ST SESSION

H. R. 2114

To amend the Federal Reserve Act to provide for the appointment of the presidents of the Federal reserve banks by the Board of Governors of the Federal Reserve System, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 8, 1997

Mr. LEACH introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the Federal Reserve Act to provide for the appointment of the presidents of the Federal reserve banks by the Board of Governors of the Federal Reserve System, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Reserve
5 Governance Act”.

6 **SEC. 2. APPOINTMENT BY BOARD OF GOVERNORS.**

7 (a) IN GENERAL.—Section 4 of the Federal Reserve
8 Act is amended by inserting after the 5th undesignated

1 paragraph (12 U.S.C. 341; relating to authority to com-
2 mence business) the following new paragraph:

3 “The Board of Governors of the Federal Reserve Sys-
4 tem shall appoint for each Federal reserve bank, after con-
5 sultation with the board of directors of the bank, a presi-
6 dent and first vice president for the bank. The president
7 and first vice president shall be appointed for terms of
8 5 years. The president shall be the chief executive officer
9 of the bank. The first vice president shall, in the absence
10 or disability of the president or during a vacancy in the
11 office of president, serve as chief executive officer of the
12 bank. Whenever a vacancy shall occur in the office of the
13 president or the first vice president, it shall be filled in
14 the manner provided for the original appointment and the
15 person so appointed shall hold office until the expiration
16 of the term to which such person’s predecessor was ap-
17 pointed.”.

18 (b) TRANSITION.—The first appointment of the
19 president or first vice president for each Federal reserve
20 bank made in accordance with the authority under the
21 amendment made by subsection (a) shall take place upon
22 the earlier of—

23 (1) the expiration of the term of the president
24 or first vice president of the bank, as the case may

1 be, who is serving in such office on the date of the
2 enactment of this Act; or

3 (2) the occurrence of the first vacancy in the of-
4 fice of president or first vice president of the bank,
5 as the case may be, after the date of the enactment
6 of this Act.

7 **SEC. 3. AUTHORITY OF BOARDS OF DIRECTORS OF FED-**
8 **ERAL RESERVE BANKS.**

9 The subdivision designated “Fifth.” of the 4th undes-
10 ignated paragraph of section 4 of the Federal Reserve Act
11 (12 U.S.C. 341) is amended—

12 (1) in the 1st sentence, by striking “a presi-
13 dent, vice presidents, and”; and

14 (2) by striking the 2d, 3d, and 4th sentences
15 and inserting the following new sentence: “All execu-
16 tive officers and all employees of the bank shall be
17 directly responsible to the president of the bank.”.

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