

115TH CONGRESS  
2D SESSION

# H. R. 5816

To amend title 39, United States Code, to provide that the United States Postal Service may provide certain basic financial services, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2018

Ms. CLARKE of New York introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 39, United States Code, to provide that the United States Postal Service may provide certain basic financial services, 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 “Postal Banking Act”.

5 **SEC. 2. AUTHORITY FOR THE POSTAL SERVICE TO OFFER**  
6 **CERTAIN FINANCIAL SERVICES.**

7 (a) IN GENERAL.—Section 404 of title 39, United  
8 States Code, is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (7), by striking “and” at  
3 the end;

4 (B) in paragraph (8), by striking the pe-  
5 riod at the end and inserting a semicolon; and

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

7 “(9) to provide basic financial services, includ-  
8 ing—

9 “(A) low-cost, small-dollar loans, not to ex-  
10 ceed \$500 at a time, or \$1,000 from 1 year of  
11 the issuance of the initial loan, as adjusted an-  
12 nually by the Postmaster General to reflect any  
13 change in the Consumer Price Index for All  
14 Urban Consumers of the Department of Labor;

15 “(B) alone, or in partnership with deposi-  
16 tory institutions, as defined in section 3 of the  
17 Federal Deposit Insurance Act (12 U.S.C.  
18 1813), and Federal credit unions, as defined in  
19 section 101 of the of the Federal Credit Union  
20 Act (12 U.S.C. 1752), small checking accounts  
21 and interest-bearing savings accounts, not to  
22 exceed the greater of—

23 “(i) \$20,000 per account; and

24 “(ii) 25 percent of the median account  
25 balance reported in the Federal Deposit

1 Insurance Corporation’s quarterly Consoli-  
2 dated Reports of Condition and Income;

3 “(C) transactional services, including debit  
4 cards, automated teller machines, online check-  
5 ing accounts, check-cashing services, automatic  
6 bill-pay, mobile banking, or other products that  
7 allows users to engage in the financial services  
8 described in this paragraph;

9 “(D) remittance services, including the re-  
10 ceiving and sending of money to domestic or  
11 foreign recipients; and

12 “(E) such other basic financial services as  
13 the Postal Service determines appropriate in  
14 the public interest;

15 “(10) to set interest rates and fees for the fi-  
16 nancial instruments and products provided by the  
17 Postal Service that—

18 “(A) ensures that the customer access to  
19 the products and the public interest is given  
20 significant consideration;

21 “(B) ensures that interest rates on savings  
22 accounts are at least 100 percent of the Federal  
23 Deposit Insurance Corporation’s weekly na-  
24 tional rate on non-jumbo savings accounts; and

1                   “(C) ensures that the total interest rates  
2                   on small-dollar loan amounts—

3                   “(i) are inclusive of interest, fees,  
4                   charges, and ancillary products and serv-  
5                   ices; and

6                   “(ii) do not exceed 101 percent of the  
7                   Treasury 1 month constant maturity rate;  
8                   and

9                   “(11) allow capitalization of an amount deemed  
10                  necessary by the Postmaster General that serve the  
11                  purpose of this section, through an account separate  
12                  from products not included or allowed in this sec-  
13                  tion, for the purposes of enacting the provisions of  
14                  this section.”; and

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

16                  “(f) Any net profits from services provided under this  
17                  section that are not greater than the amount of initial cap-  
18                  italization—

19                  “(1) shall be reported separately from mail  
20                  service and delivery;

21                  “(2) in the case of any amount appropriated,  
22                  shall be returned to the general fund of the Treas-  
23                  ury not later than 9 years after the date of enact-  
24                  ment of this subsection; and

1           “(3) may be repaid to the offering organization  
2           or organizations if the Postmaster General deter-  
3           mines that the services provided in this subsection  
4           are not reduced as a result.”.

5           (b) NO BANK CHARTER.—The United States Postal  
6           Service shall not be granted a bank charter, become an  
7           insured depository institution, as defined in section 3 of  
8           the Federal Deposit Insurance Act (12 U.S.C. 1813), or  
9           engage in traditional banking activities such as lending,  
10          other than those activities permitted under section 404 of  
11          title 39, United States Code, as amended by this Act.

12          (c) UCC.—The United States Postal Service shall be  
13          subject to the provisions of article 4 of the Uniform Com-  
14          mercial Code.

15          (d) REGULATIONS.—The Postmaster General, in con-  
16          sultation with the Secretary of the Treasury, the Bureau  
17          of Consumer Financial Protection, and the Federal bank-  
18          ing agencies, shall promulgate regulations carrying out  
19          this Act and the amendments made by this Act.

20          (e) TECHNICAL AND CONFORMING AMENDMENT.—  
21          Section 404(e)(2) of title 39, United States Code, is  
22          amended by adding at the end the following: “The pre-  
23          ceding sentence shall not apply to any financial service of-  
24          fered by the Postal Service under subsection (a)(9).”.

1       (f) RULE OF CONSTRUCTION.—The services offered  
2 by the United States Postal Service under section 404 of  
3 title 39, United States Code—

4           (1) shall be considered permissible non-banking  
5 activities in accordance with section 225.28 of title  
6 12, Code of Federal Regulations; and

7           (2) shall not be considered the business of  
8 banking under the seventh paragraph of section  
9 5136 of the Revised Statutes (12 U.S.C. 24).

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