

118TH CONGRESS
2D SESSION

S. 5627

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.

IN THE SENATE OF THE UNITED STATES

DECEMBER 19 (legislative day, DECEMBER 16), 2024

Mrs. GILLIBRAND (for herself and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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(a) of title 39, United
8 States Code, is amended—

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

3 (2) in paragraph (8), by striking the period at
4 the end and inserting a semicolon; and

5 (3) by adding at the end the following:

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

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

14 “(B) small-dollar lending servicing, which
15 shall ensure that the customer’s access to the
16 products and the public interest is given signifi-
17 cant consideration;

18 “(C) small checking accounts and interest-
19 bearing savings accounts, not to exceed the
20 greater of—

21 “(i) \$20,000 per account; and

22 “(ii) 25 percent of the median account
23 balance reported in the Federal Deposit
24 Insurance Corporation’s quarterly Consoli-
25 dated Reports of Condition and Income;

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

7 “(E) remittance services, including the re-
8 ceiving and sending of money to domestic or
9 foreign recipients; and

10 “(F) such other basic financial services as
11 the Postal Service determines appropriate in
12 the public interest;

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

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

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

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

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

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

7 “(11) to provide all financial products and serv-
 8 ices in subsection (a) exclusively, ensuring that the
 9 customer’s access to the products and the public in-
 10 terest is given significant consideration, and not
 11 through a partnership or contract with private insti-
 12 tutions, including insured depository institutions.”.

13 (b) NO BANK CHARTER.—The United States Postal
 14 Service shall not be granted a bank charter, become an
 15 insured depository institution, as defined in section 3 of
 16 the Federal Deposit Insurance Act (12 U.S.C. 1813), for
 17 the purpose of capital requirements.

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

21 (d) REGULATIONS.—The Postmaster General, in con-
 22 sultation with the Secretary of the Treasury, the Bureau
 23 of Consumer Financial Protection, and the Federal bank-
 24 ing agencies, shall promulgate regulations carrying out
 25 this Act and the amendments made by this Act.

1 (e) TECHNICAL AND CONFORMING AMENDMENT.—

2 (1) IN GENERAL.—Section 404(e)(2) of title 39,
3 United States Code, is amended by adding at the
4 end the following: “The preceding sentence shall not
5 apply to any financial service offered by the Postal
6 Service under subsection (a)(9).”.

7 (2) FEDERAL RESERVE ACT.—Section 11 of the
8 Federal Reserve Act is amended—

9 (A) by redesignating the second subsection
10 (s) (relating to assessments, fees, and other
11 charges for certain companies) as subsection
12 (t); and

13 (B) by adding at the end the following:

14 “(u) FUNDING FOR POSTAL FINANCIAL SERVICES.—
15 The Board, in consultation with the Chairman of the
16 Board and the Postmaster General, shall transfer to the
17 Postmaster General such sums as may be necessary to
18 carry out the services described in section 404(a)(9) of
19 title 39, United States Code, which shall—

20 “(1) be sufficient to ensure that the products
21 described in that section shall substantially decrease
22 the number of people who do not have a bank ac-
23 count or use alternative financial products such as
24 payday lending, check cashing, prepaid debt cards,
25 and overdraft fees; and

1 “(2) be provided to the Postmaster General
2 through an account separate from products not in-
3 cluded or allowed under section 404 of that title.”.

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

7 (1) shall be considered permissible non-banking
8 activities in accordance with section 225.28 of title
9 12, Code of Federal Regulations; and

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

13 (g) GAO REPORT.—The Comptroller General of the
14 United States shall submit to Congress an annual report
15 that includes the demographics, number of participants,
16 and average balances and uses for all products described
17 in paragraphs (9) and (10) of section 404(a) of title 39,
18 United States Code, as added by subsection (a) of this
19 section.

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