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(Original Signature of Member)

115TH CONGRESS  
2D SESSION

# H. R. 6741

To amend the Federal Reserve Act to increase monetary policy transparency and accountability and to make reforms to the Federal Reserve System, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. BARR introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To amend the Federal Reserve Act to increase monetary policy transparency and accountability and to make reforms to 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Federal Reserve Reform Act of 2018”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Monetary policy transparency and accountability.
- Sec. 3. Independence from credit policy.
- Sec. 4. Congressional accountability for emergency lending programs.
- Sec. 5. Interest rates on balances maintained at a Federal Reserve Bank by depository institutions established by Federal Open Market Committee.
- Sec. 6. Membership of Federal Open Market Committee.
- Sec. 7. Bringing the non-monetary policy related functions of the Board of Governors of the Federal Reserve System into the appropriations process.
- Sec. 8. Amendment to appointment of presidents of Federal Reserve Banks.
- Sec. 9. Federal Open Market Committee blackout period.
- Sec. 10. Salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System.
- Sec. 11. Vice Chairman for Supervision report requirement.
- Sec. 12. Removal of dual mandate.

1 **SEC. 2. MONETARY POLICY TRANSPARENCY AND ACCOUNT-**  
2 **ABILITY.**

3 Section 12A of the Federal Reserve Act (12 U.S.C.  
4 263) is amended—

5 (1) by redesignating subsections (b) and (c) as  
6 subsections (d) and (e), respectively; and

7 (2) by inserting after subsection (a) the fol-  
8 lowing new subsections:

9 “(b) POLICY TRANSPARENCY.—

10 “(1) MONETARY POLICY STRATEGY.—

11 “(A) IN GENERAL.—The Committee shall  
12 annually establish exactly 1 monetary policy  
13 strategy, which shall serve as a non-technical  
14 public communication of the Committee’s con-  
15 sensus expectation for the conduct of monetary  
16 policy during that calendar year.

1           “(B) REQUIREMENTS.—Each monetary  
2 policy strategy of the Committee shall include  
3 the following:

4           “(i) A plain English description of  
5 how the Committee would adjust each of  
6 the following monetary policy instruments  
7 in reaction to changes in a small and well-  
8 defined set of publicly available economic  
9 indicators:

10           “(I) Short-term interest rate tar-  
11 gets established by the Committee.

12           “(II) Open-market operations au-  
13 thorized under section 14.

14           “(III) Earnings on balances  
15 maintained at a Federal reserve bank  
16 by or on behalf of a depository institu-  
17 tion under section 19(b)(12).

18           “(ii) An identification of 1 monetary  
19 policy instrument from the list in clause (i)  
20 that the Committee expects to use as the  
21 primary instrument for implementing the  
22 monetary policy strategy described under  
23 subparagraph (A).

24           “(2) REFERENCE MONETARY POLICY RULES.—

25           In addition to the monetary policy strategy required

1 under paragraph (1), the Committee shall annually  
2 adopt at least 1 and not more than 3 reference mon-  
3 etary policy rules, each of which shall mathemati-  
4 cally express how the primary monetary policy in-  
5 strument identified under paragraph (1)(B)(ii) re-  
6 acts to changes in a small and well-defined set of  
7 publicly available economic indicators.

8 “(3) DEVIATIONS.—Nothing in this subsection  
9 shall be construed to prevent the Committee from  
10 setting short-term interest rate targets, conducting  
11 open-market operations, or paying earnings on bal-  
12 ances pursuant to section 19(b)(12) in a manner  
13 that deviates from a monetary policy strategy or any  
14 reference monetary policy rules established under  
15 this subsection.

16 “(c) TESTIMONY AND REPORTS OF THE CHAIR-  
17 MAN.—The Chairman shall, concurrent with each semi-an-  
18 nual hearing required under section 2B, submit a report  
19 to the Committee on Banking, Housing, and Urban Af-  
20 fairs of the Senate and the Committee on Banking and  
21 Financial Services of the House of Representatives, con-  
22 taining—

23 “(1) a statement as to whether the monetary  
24 policy strategy established under subsection (b)(1)  
25 qualitatively differs from any of the reference mone-

1 tary policy rules required under subsection (b)(2)  
2 and, if applicable, a full and non-technical expla-  
3 nation of any such difference;

4 “(2) a statement as to whether the Committee’s  
5 conduct of monetary policy since the previous report  
6 quantitatively differs from any reference monetary  
7 policy rule and, if applicable, a full and non-tech-  
8 nical explanation of any such differences; and

9 “(3) a description of—

10 “(A) the circumstances under which the  
11 Committee’s monetary policy strategy may be  
12 amended from year to year; and

13 “(B) a full and non-technical explanation  
14 of any such actual amendment.”.

15 **SEC. 3. INDEPENDENCE FROM CREDIT POLICY.**

16 (a) RETURNING TO A MONETARY POLICY BALANCE  
17 SHEET.—

18 (1) IN GENERAL.—Not later than 1 year after  
19 the date of the enactment of this Act—

20 (A) the Board of Governors of the Federal  
21 Reserve System shall transfer to the Depart-  
22 ment of the Treasury all covered assets that are  
23 neither gold stock, Treasury currency, nor di-  
24 rect obligations of the United States, foreign

1 central banks, or the International Monetary  
2 Fund; and

3 (B) the Secretary of the Treasury shall  
4 transfer to the Federal reserve banks direct ob-  
5 ligations of the United States of equivalent  
6 market value to such covered assets.

7 (2) COVERED ASSETS DEFINED.—In this sub-  
8 section, the term “covered assets” means all as-  
9 sets—

10 (A) purchased through open-market oper-  
11 ations by the Federal reserve banks; or

12 (B) acquired through transactions under  
13 the following sections of the Federal Reserve  
14 Act (12 U.S.C. 221 et seq.):

15 (i) Section 10A before the date of the  
16 enactment of this Act.

17 (ii) Section 10B.

18 (iii) Section 13.

19 (iv) Section 13A.

20 (v) Section 24.

21 (b) OPEN MARKET ASSET PURCHASES.—Section  
22 14(b) (12 U.S.C. 355) of the Federal Reserve Act (relat-  
23 ing to “Purchase and sale of obligations of United States,  
24 States, counties, etc.”) is amended to read as follows:

1       “(b) To buy and sell in the open market, at home  
2 or abroad, under the direction and regulations of the Fed-  
3 eral Open Market Committee, gold stock, Treasury cur-  
4 rency, or direct obligations of the United States, foreign  
5 central banks, or the International Monetary Fund. Noth-  
6 ing in this subsection shall be construed to limit advances  
7 under section 10B, or discount loans under sections 13,  
8 13A, or 24.”.

9       (c) MAINTAINING A MONETARY POLICY BALANCE  
10 SHEET.—

11           (1) ASSETS ACQUIRED UNDER EMERGENCY  
12 LENDING.—Section 13(3) of the Federal Reserve  
13 Act (12 U.S.C. 343(3)) is amended by adding at the  
14 end the following new subparagraph:

15                   “(F) Not later than 1 year after a Federal  
16 reserve bank acquires any assets under this  
17 paragraph that are neither gold nor direct obli-  
18 gations of the United States, foreign central  
19 banks, or the International Monetary Fund—

20                           “(i) the Board shall transfer such as-  
21 sets of the Federal reserve bank to the De-  
22 partment of the Treasury; and

23                           “(ii) the Secretary of the Treasury  
24 shall transfer to the Federal reserve banks  
25 direct obligations of the United States of

1 equivalent market value to the assets de-  
2 scribed in clause (i).”.

3 (2) REPEAL OF AUTHORITY TO PROVIDE EMER-  
4 GENCY ADVANCES TO GROUPS OF MEMBER BANKS.—  
5 Section 10A of the Federal Reserve Act is repealed.

6 (3) ASSETS ACQUIRED THROUGH ADVANCES TO  
7 MEMBER BANKS.—The second undesignated para-  
8 graph of subsection (a) of section 10B of the Fed-  
9 eral Reserve Act is amended—

10 (A) by inserting “not” before “secured by  
11 mortgage loans”; and

12 (B) by striking “lowest discount rate” and  
13 inserting “highest discount rate”.

14 **SEC. 4. CONGRESSIONAL ACCOUNTABILITY FOR EMER-**  
15 **GENCY LENDING PROGRAMS.**

16 Section 13(3) of the Federal Reserve Act (12 U.S.C.  
17 343(3)), as amended by section 3, is further amended—

18 (1) in subparagraph (A)—

19 (A) by inserting “that pose a threat to the  
20 financial stability of the United States” after  
21 “unusual and exigent circumstances”; and

22 (B) by striking “the affirmative vote of not  
23 less than five members” and inserting “the  
24 prior approval of the Secretary of the Treasury



1 and not less than  $\frac{2}{3}$  of the members of the  
2 Federal Open Market Committee”;

3 (2) in subparagraph (B)—

4 (A) in clause (i), by inserting at the end  
5 the following: “Federal reserve banks may not  
6 accept equity securities issued by the recipient  
7 of any loan or other financial assistance under  
8 this paragraph as collateral. Not later than 6  
9 months after the date of the enactment of this  
10 sentence, the Board shall, by rule, establish—

11 “(I) a method for determining  
12 the sufficiency of the collateral re-  
13 quired under this paragraph;

14 “(II) acceptable classes of collat-  
15 eral;

16 “(III) the amount of any dis-  
17 count on the value of the collateral  
18 that the Federal reserve banks will  
19 apply for purposes of calculating the  
20 sufficiency of collateral under this  
21 paragraph; and

22 “(IV) a method for obtaining  
23 independent appraisals of the value of  
24 collateral the Federal reserve banks  
25 receive.”;

1 (B) in clause (ii)—

2 (i) by striking the second sentence;

3 and

4 (ii) by inserting after the first sen-  
5 tence the following: “A borrower shall not

6 be eligible to borrow from any emergency

7 lending program or facility unless the

8 Board and all Federal banking regulators

9 with jurisdiction over the borrower certify

10 that, at the time the borrower initially bor-

11 rows under the program or facility, the

12 borrower is not insolvent.”; and

13 (C) by striking clause (iv);

14 (3) by inserting “financial institution” before

15 “participant” each place such term appears;

16 (4) in subparagraph (D)(i), by inserting “finan-

17 cial institution” before “participants”; and

18 (5) by adding at the end the following new sub-

19 paragraphs:

20 “(G) JOINT RESOLUTION OF APPROVAL.—

21 “(i) IN GENERAL.—A program or fa-

22 cility created under subparagraph (A) shall

23 terminate on the date that is 30 calendar

24 days after the date on which Congress re-

25 ceives a report described in subparagraph

1 (C) unless there is enacted into law a joint  
2 resolution approving the program or facil-  
3 ity not later than 30 calendar days after  
4 the date on which the report is received.  
5 Any loan offered through the program or  
6 facility that is outstanding as of the date  
7 on which the program or facility is termi-  
8 nated shall be repaid in full not later than  
9 30 calendar days after the date on which  
10 the program or facility is terminated.

11 “(ii) CONTENTS OF JOINT RESOLU-  
12 TION.—For the purpose of this subpara-  
13 graph, the term ‘joint resolution’ means  
14 only a joint resolution—

15 “(I) that is introduced not later  
16 than 3 calendar days after the date on  
17 which the report described in subpara-  
18 graph (C) is received by Congress;

19 “(II) that does not have a pre-  
20 amble;

21 “(III) the title of which is as fol-  
22 lows: ‘Joint resolution relating to the  
23 approval of a program or facility cre-  
24 ated by the Board of Governors of the  
25 Federal Reserve System’; and

1                   “(IV) the matter after the resolv-  
2                   ing clause of which is as follows:  
3                   ‘That Congress approves the program  
4                   or facility created by the Board of  
5                   Governors of the Federal Reserve Sys-  
6                   tem on \_\_\_\_\_.’ (The  
7                   blank space being appropriately filled  
8                   in).

9                   “(iii) FAST TRACK CONSIDERATION IN  
10                   HOUSE OF REPRESENTATIVES.—

11                   “(I) RECONVENING.—Upon re-  
12                   ceipt of a report under subparagraph  
13                   (C), the Speaker, if the House would  
14                   otherwise be adjourned, shall notify  
15                   the Members of the House that, pur-  
16                   suant to this subparagraph, the  
17                   House shall convene not later than  
18                   the second calendar day after receipt  
19                   of such report.

20                   “(II) REPORTING AND DIS-  
21                   CHARGE.—Any committee of the  
22                   House of Representatives to which a  
23                   joint resolution is referred shall report  
24                   it to the House not later than 5 cal-  
25                   endar days after the date of receipt of

1 the report described in subparagraph  
2 (C). If a committee fails to report the  
3 joint resolution within that period, the  
4 committee shall be discharged from  
5 further consideration of the joint reso-  
6 lution and the joint resolution shall be  
7 referred to the appropriate calendar.

8 “(III) PROCEEDING TO CONSID-  
9 ERATION.—After each committee au-  
10 thorized to consider a joint resolution  
11 reports it to the House or has been  
12 discharged from its consideration, it  
13 shall be in order, not later than the  
14 sixth day after Congress receives the  
15 report described in subparagraph (C),  
16 to move to proceed to consider the  
17 joint resolution in the House. All  
18 points of order against the motion are  
19 waived. Such a motion shall not be in  
20 order after the House has disposed of  
21 a motion to proceed on the joint reso-  
22 lution. The previous question shall be  
23 considered as ordered on the motion  
24 to its adoption without intervening  
25 motion. The motion shall not be de-

1           batable. A motion to reconsider the  
2           vote by which the motion is disposed  
3           of shall not be in order.

4                   “(IV)       CONSIDERATION.—The  
5           joint resolution shall be considered as  
6           read. All points of order against the  
7           joint resolution and against its consid-  
8           eration are waived. The previous ques-  
9           tion shall be considered as ordered on  
10          the joint resolution to its passage  
11          without intervening motion except 2  
12          hours of debate equally divided and  
13          controlled by the proponent and an  
14          opponent. A motion to reconsider the  
15          vote on passage of the joint resolution  
16          shall not be in order.

17                   “(iv) FAST TRACK CONSIDERATION IN  
18          SENATE.—

19                   “(I) RECONVENING.—Upon re-  
20          ceipt of a report under subparagraph  
21          (C), if the Senate has adjourned or  
22          recessed for more than 2 days, the  
23          majority leader of the Senate, after  
24          consultation with the minority leader  
25          of the Senate, shall notify the Mem-

1           bers of the Senate that, pursuant to  
2           this subparagraph, the Senate shall  
3           convene not later than the second cal-  
4           endar day after receipt of such report.

5           “(II) PLACEMENT ON CAL-  
6           ENDAR.—Upon introduction in the  
7           Senate, the joint resolution shall be  
8           placed immediately on the calendar.

9           “(III) FLOOR CONSIDERATION.—

10           “(aa) IN GENERAL.—Not-  
11           withstanding Rule XXII of the  
12           Standing Rules of the Senate, it  
13           is in order at any time during the  
14           period beginning on the fourth  
15           day after the date on which Con-  
16           gress receives a report described  
17           in subparagraph (C) and ending  
18           on the sixth day after the date on  
19           which Congress receives the re-  
20           port (even though a previous mo-  
21           tion to the same effect has been  
22           disagreed to) to move to proceed  
23           to the consideration of the joint  
24           resolution, and all points of order  
25           against the joint resolution (and

1 against consideration of the joint  
2 resolution) are waived. The mo-  
3 tion to proceed is not debatable.  
4 The motion is not subject to a  
5 motion to postpone. A motion to  
6 reconsider the vote by which the  
7 motion is agreed to or disagreed  
8 to shall not be in order. If a mo-  
9 tion to proceed to the consider-  
10 ation of the resolution is agreed  
11 to, the joint resolution shall re-  
12 main the unfinished business  
13 until disposed of.

14 “(bb) DEBATE.—Debate on  
15 the joint resolution, and on all  
16 debatable motions and appeals in  
17 connection therewith, shall be  
18 limited to not more than 10  
19 hours, which shall be divided  
20 equally between the majority and  
21 minority leaders or their des-  
22 ignees. A motion further to limit  
23 debate is in order and not debat-  
24 able. An amendment to, or a mo-  
25 tion to postpone, or a motion to



1 proceed to the consideration of  
2 other business, or a motion to re-  
3 commit the joint resolution is not  
4 in order.

5 “(cc) VOTE ON PASSAGE.—  
6 The vote on passage shall occur  
7 immediately following the conclu-  
8 sion of the debate on a joint reso-  
9 lution, and a single quorum call  
10 at the conclusion of the debate if  
11 requested in accordance with the  
12 rules of the Senate.

13 “(dd) RULINGS OF THE  
14 CHAIR ON PROCEDURE.—Appeals  
15 from the decisions of the Chair  
16 relating to the application of the  
17 rules of the Senate, as the case  
18 may be, to the procedure relating  
19 to a joint resolution shall be de-  
20 cided without debate.

21 “(v) COORDINATION WITH ACTION BY  
22 OTHER HOUSE.—

23 “(I) IN GENERAL.—If, before the  
24 passage by one House of a joint reso-  
25 lution of that House, that House re-

1 ceives from the other House a joint  
2 resolution, then the following proce-  
3 dures shall apply:

4 “(aa) The joint resolution of  
5 the other House shall not be re-  
6 ferred to a committee.

7 “(bb) With respect to a joint  
8 resolution of the House receiving  
9 the resolution—

10 “(AA) the procedure in  
11 that House shall be the  
12 same as if no joint resolu-  
13 tion had been received from  
14 the other House; but

15 “(BB) the vote on pas-  
16 sage shall be on the joint  
17 resolution of the other  
18 House.

19 “(II) TREATMENT OF JOINT RES-  
20 OLUTION OF OTHER HOUSE.—If one  
21 House fails to introduce or consider a  
22 joint resolution under this section, the  
23 joint resolution of the other House  
24 shall be entitled to expedited floor  
25 procedures under this section.

1                   “(III) CONSIDERATION AFTER  
2                   PASSAGE.—If, following passage of  
3                   the joint resolution in the Senate, the  
4                   Senate then receives the companion  
5                   measure from the House of Rep-  
6                   resentatives, the companion measure  
7                   shall not be debatable.

8                   “(IV) VETOES.—If the President  
9                   vetoes the joint resolution, the period  
10                  beginning on the date the President  
11                  vetoes the joint resolution and ending  
12                  on the date the Congress receives the  
13                  veto message with respect to the joint  
14                  resolution shall be disregarded in com-  
15                  puting the 30-calendar day period de-  
16                  scribed in clause (i) and debate on a  
17                  veto message in the Senate under this  
18                  section shall be 1 hour equally divided  
19                  between the majority and minority  
20                  leaders or their designees.

21                  “(V) RULES OF HOUSE OF REP-  
22                  RESENTATIVES AND SENATE.—This  
23                  subparagraph is enacted by Con-  
24                  gress—

1                   “(aa) as an exercise of the  
2 rulemaking power of the Senate  
3 and House of Representatives,  
4 respectively, and as such it is  
5 deemed a part of the rules of  
6 each House, respectively, but ap-  
7 plicable only with respect to the  
8 procedure to be followed in that  
9 House in the case of a joint reso-  
10 lution, and it supersedes other  
11 rules only to the extent that it is  
12 inconsistent with such rules; and

13                   “(bb) with full recognition of  
14 the constitutional right of either  
15 House to change the rules (so far  
16 as relating to the procedure of  
17 that House) at any time, in the  
18 same manner, and to the same  
19 extent as in the case of any other  
20 rule of that House.

21                   “(H) PENALTY RATE.—

22                   “(i) IN GENERAL.—Not later than 6  
23 months after the date of enactment of this  
24 subparagraph, the Board shall, with re-  
25 spect to a recipient of any loan or other fi-

1           nancial assistance under this paragraph,  
2           establish by rule a minimum interest rate  
3           on the principal amount of any loan or  
4           other financial assistance.

5           “(ii) MINIMUM INTEREST RATE DE-  
6           FINED.—In this subparagraph, the term  
7           ‘minimum interest rate’ shall mean the  
8           sum of—

9                       “(I) the average of the secondary  
10                      discount rate of all Federal reserve  
11                      banks over the most recent 90-day pe-  
12                      riod; and

13                     “(II) the average of the dif-  
14                     ference between a distressed corporate  
15                     bond yield index (as defined by rule of  
16                     the Board) and a bond yield index of  
17                     debt issued by the United States (as  
18                     defined by rule of the Board) over the  
19                     most recent 90-day period.

20           “(I) FINANCIAL INSTITUTION PARTICIPANT  
21           DEFINED.—For purposes of this paragraph, the  
22           term ‘financial institution participant’—

23                     “(i) means a company that is pre-  
24                     dominantly engaged in financial activities  
25                     (as defined in section 102(a) of the Finan-

1           cial Stability Act of 2010 (12 U.S.C.  
2           5311(a)); and

3           “(ii) does not include an agency de-  
4           scribed in subparagraph (W) of section  
5           5312(a)(2) of title 31, United States Code,  
6           or an entity controlled or sponsored by  
7           such an agency.”.

8   **SEC. 5. INTEREST RATES ON BALANCES MAINTAINED AT A**  
9                   **FEDERAL RESERVE BANK BY DEPOSITORY**  
10                   **INSTITUTIONS ESTABLISHED BY FEDERAL**  
11                   **OPEN MARKET COMMITTEE.**

12           Subparagraph (A) of section 19(b)(12) of the Federal  
13   Reserve Act (12 U.S.C. 461(b)(12)(A)) is amended by in-  
14   serting “established by the Federal Open Market Com-  
15   mittee” after “rate or rates”.

16   **SEC. 6. MEMBERSHIP OF FEDERAL OPEN MARKET COM-**  
17                   **MITTEE.**

18           Section 12A(a) of the Federal Reserve Act (12  
19   U.S.C. 263(a)) is amended—

20           (1) in the first sentence, by striking “five rep-  
21           resentatives of the Federal Reserve banks to be se-  
22           lected as hereinafter provided” and inserting “one  
23           representative from each of the Federal Reserve  
24           banks”;

1 (2) in the second sentence, by striking “and,  
2 beginning” and all that follows through “San Fran-  
3 cisco”; and

4 (3) by striking the third and fourth sentences.

5 **SEC. 7. BRINGING THE NON-MONETARY POLICY RELATED**  
6 **FUNCTIONS OF THE BOARD OF GOVERNORS**  
7 **OF THE FEDERAL RESERVE SYSTEM INTO**  
8 **THE APPROPRIATIONS PROCESS.**

9 (a) IN GENERAL.—The Federal Reserve Act is  
10 amended by inserting after section 11B the following:

11 **“SEC. 11C. APPROPRIATIONS REQUIREMENT FOR NON-**  
12 **MONETARY POLICY RELATED ADMINISTRA-**  
13 **TIVE COSTS.**

14 “(a) APPROPRIATIONS REQUIREMENT.—

15 “(1) RECOVERY OF COSTS OF ANNUAL APPRO-  
16 PRIATION.—The Board of Governors of the Federal  
17 Reserve System and the Federal reserve banks shall  
18 collect assessments and other fees, as provided under  
19 this Act, that are designed to recover the costs to  
20 the Government of the annual appropriation to the  
21 Board of Governors of the Federal Reserve System  
22 by Congress. The Board of Governors of the Federal  
23 Reserve System and the Federal reserve banks may  
24 only incur obligations or allow and pay expenses

1 with respect to non-monetary policy related adminis-  
2 trative costs pursuant to an appropriations Act.

3 “(2) OFFSETTING COLLECTIONS.—Assessments  
4 and other fees described under paragraph (1) for  
5 any fiscal year—

6 “(A) shall be deposited and credited as off-  
7 setting collections to the account providing ap-  
8 propriations to the Board of Governors of the  
9 Federal Reserve System; and

10 “(B) shall not be collected for any fiscal  
11 year except to the extent provided in advance in  
12 appropriation Acts.

13 “(3) LIMITATION.—This subsection shall only  
14 apply to the non-monetary policy related administra-  
15 tive costs of the Board of Governors of the Federal  
16 Reserve System.

17 “(b) DEFINITIONS.—For purposes of this section:

18 “(1) MONETARY POLICY.—The term ‘monetary  
19 policy’ means a strategy for producing a generally  
20 acceptable exchange medium that supports the pro-  
21 ductive employment of economic resources by reli-  
22 ably serving as both a unit of account and store of  
23 value.

24 “(2) NON-MONETARY POLICY RELATED ADMIN-  
25 ISTRATIVE COSTS.—The term ‘non-monetary policy



1 related administrative costs’ means administrative  
2 costs not related to the conduct of monetary policy,  
3 and includes—

4 “(A) direct operating expenses for super-  
5 vising and regulating entities supervised and  
6 regulated by the Board of Governors of the  
7 Federal Reserve System, including conducting  
8 examinations, conducting stress tests, commu-  
9 nicating with the entities regarding supervisory  
10 matters and laws, and regulations;

11 “(B) operating expenses for activities inte-  
12 gral to carrying out supervisory and regulatory  
13 responsibilities, such as training staff in the su-  
14 pervisory function, research and analysis func-  
15 tions including library subscription services, and  
16 collecting and processing regulatory reports  
17 filed by supervised institutions; and

18 “(C) support, overhead, and pension ex-  
19 penses related to the items described under sub-  
20 paragraphs (A) and (B).”.

21 (b) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply with respect to expenses paid and  
23 fees collected on or after October 1, 2018.

1 **SEC. 8. AMENDMENT TO APPOINTMENT OF PRESIDENTS OF**  
2 **FEDERAL RESERVE BANKS.**

3 The fifth subparagraph of the fourth undesignated  
4 paragraph of section 4 of the Federal Reserve Act (12  
5 U.S.C. 341) is amended by striking “Class B and Class  
6 C directors” and inserting “board of directors”.

7 **SEC. 9. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**  
8 **PERIOD.**

9 Section 12A of the Federal Reserve Act (12 U.S.C.  
10 263), as amended by section 2, is further amended by add-  
11 ing at the end the following new subsection:

12 “(f) BLACKOUT PERIOD.—

13 “(1) IN GENERAL.—During a blackout period,  
14 the only public communications that may be made  
15 by members and staff of the Committee with respect  
16 to macroeconomic or financial developments or about  
17 current or prospective monetary policy issues are the  
18 following:

19 “(A) The dissemination of published data,  
20 surveys, and reports that have been cleared for  
21 publication by the Board of Governors of the  
22 Federal Reserve System.

23 “(B) Answers to technical questions spe-  
24 cific to a data release.

1           “(C) Communications with respect to the  
2           prudential or supervisory functions of the  
3           Board of Governors.

4           “(2) BLACKOUT PERIOD DEFINED.—For pur-  
5           poses of this subsection, and with respect to a meet-  
6           ing of the Committee described under subsection (a),  
7           the term ‘blackout period’ means the time period  
8           that—

9           “(A) begins immediately after midnight on  
10          the day that is one week prior to the date on  
11          which such meeting takes place; and

12          “(B) ends at midnight on the day after the  
13          date on which such meeting takes place.

14          “(3) EXEMPTION FOR CHAIRMAN OF THE  
15          BOARD OF GOVERNORS.—Nothing in this section  
16          shall prohibit the Chairman of the Board of Gov-  
17          ernors of the Federal Reserve System from partici-  
18          pating in or issuing public communications.”.

19   **SEC. 10. SALARIES, FINANCIAL DISCLOSURES, AND OFFICE**  
20                   **STAFF OF THE BOARD OF GOVERNORS OF**  
21                   **THE FEDERAL RESERVE SYSTEM.**

22          (a) IN GENERAL.—Section 11 of the Federal Reserve  
23   Act (12 U.S.C. 248) is amended—

1           (1) by redesignating the second subsection (s)  
2           (relating to “Assessments, Fees, and Other Charges  
3           for Certain Companies”) as subsection (t); and

4           (2) by adding at the end the following new sub-  
5           sections:

6           “(u) PROHIBITED AND RESTRICTED FINANCIAL IN-  
7           TERESTS AND TRANSACTIONS.—The members and em-  
8           ployees of the Board of Governors of the Federal Reserve  
9           System shall be subject to the provisions under section  
10          4401.102 of title 5, Code of Federal Regulations, to the  
11          same extent as such provisions apply to an employee of  
12          the Securities and Exchange Commission.

13          “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-  
14          CIAL INFORMATION.—The Board of Governors of the Fed-  
15          eral Reserve System shall make publicly available, on the  
16          website of the Board of Governors, a searchable database  
17          that contains the names of all members, officers, and em-  
18          ployees of the Board of Governors who receive an annual  
19          salary in excess of the annual rate of basic pay for GS-  
20          15 of the General Schedule, and—

21                 “(1) the yearly salary information for such indi-  
22                 viduals, along with any nonsalary compensation re-  
23                 ceived by such individuals; and

24                 “(2) any financial disclosures required to be  
25                 made by such individuals.”.

1 (b) OFFICE STAFF FOR EACH MEMBER OF THE  
2 BOARD OF GOVERNORS.—Subsection (l) of section 11 of  
3 the Federal Reserve Act (12 U.S.C. 248) is amended by  
4 adding at the end the following: “Each member of the  
5 Board of Governors of the Federal Reserve System may  
6 employ, at a minimum, 2 individuals, with such individuals  
7 selected by such member and the salaries of such individ-  
8 uals set by such member. A member may employ addi-  
9 tional individuals as determined necessary by the Board  
10 of Governors.”.

11 **SEC. 11. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**  
12 **QUIREMENT.**

13 Paragraph (12) of section 10 of the Federal Reserve  
14 Act (12 U.S.C. 247(b)) is amended—

15 (1) by redesignating such paragraph as para-  
16 graph (11); and

17 (2) in such paragraph, by adding at the end the  
18 following: “In each such appearance, the Vice Chair-  
19 man for Supervision shall provide written testimony  
20 that includes the status of all pending and antici-  
21 pated rulemakings that are being made by the  
22 Board of Governors of the Federal Reserve System.  
23 If, at the time of any appearance described in this  
24 paragraph, the position of Vice Chairman for Super-  
25 vision is vacant, the Vice Chairman for the Board of

1       Governors of the Federal Reserve System (who has  
2       the responsibility to serve in the absence of the  
3       Chairman) shall appear instead and provide the re-  
4       quired written testimony. If, at the time of any ap-  
5       pearance described in this paragraph, both Vice  
6       Chairman positions are vacant, the Chairman of the  
7       Board of Governors of the Federal Reserve System  
8       shall appear instead and provide the required writ-  
9       ten testimony.”.

10 **SEC. 12. REMOVAL OF DUAL MANDATE.**

11       Section 2A of the Federal Reserve Act (12 U.S.C.  
12 225a) is amended by striking “maximum employment, sta-  
13 ble prices,” and inserting “stable prices”.