[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. ______

To establish no-fee transaction accounts at Federal reserve banks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. ______ introduced the following bill; which was referred to the Committee on ______

A BILL

To establish no-fee transaction accounts at Federal reserve banks, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Access to No-Fee Accounts Act”.

4 SEC. 2. ESTABLISHMENT OF NO-FEE ACCOUNTS.

5 (a) DEFINITIONS.—In this section:
(1) COVERED PERSON.—The term “covered person” means a resident or citizen of the United States or a business domiciled in the United States.

(2) NO-FEE ACCOUNT.—The term “No-Fee Account” means a digital transaction account maintained by a Federal reserve bank on behalf of a covered person.

(3) MEMBER BANK.—The term “member bank” means a member bank of the Board of Governors of the Federal Reserve System.

(b) MANDATE FOR MEMBER BANKS TO NO-FEE ACCOUNTS.—

(1) OBLIGATIONS OF MEMBER BANKS.—

(A) IN GENERAL.—Member banks shall, as an agent of a Federal reserve bank, open and maintain No-Fee Accounts for all covered persons that—

(i) elect to deposit funds in such a No-Fee Account; or

(ii) elect to receive a deposit from the Federal Government in such a No-Fee Account.

(B) APPLICATION.—Not later than 3 months after the date on which the Board of Governors of the Federal Reserve System issues
the notice required under subsection (f), member banks with total consolidated assets in excess of $10,000,000,000 shall offer covered persons the ability to apply, through online or telephonic means, for a No-Fee Account.

(2) TERMS.—Each No-Fee Account established under this subsection—

(A) may not be subject to any account fees, minimum balances, or maximum balances;

(B) shall pay interest at a rate not below the greater of—

(i) the rate of interest on required reserves deposited at a Federal reserve bank;

and

(ii) the rate of interest on excess reserves deposited at a Federal reserve bank;

(C) shall provide functionality and service levels not less favorable than those that the member bank offers for its existing transaction accounts (including with respect to access to debit cards and automated teller machines, online account access, automatic bill-pay and mobile banking services, customer service, and such other services as the Board determines),
except that No-Fee Accounts shall not include overdraft coverage;

(D) shall be prominently branded in all account statements, marketing materials, and other communications of the member bank as a “No-Fee Account” maintained by the member bank on behalf of the Board of Governors of the Federal Reserve System;

(E) may not be closed or restricted by the member bank on the basis of profitability considerations; and

(F) shall provide holders with reasonable protection against losses caused by fraud or security breaches.

(3) REIMBURSEMENT FOR COSTS.—Each member bank with total consolidated assets less than or equal to $10,000,000,000 shall be reimbursed each calendar quarter by the relevant Federal reserve bank for actual and reasonable operational costs incurred by the member bank in offering No-Fee Accounts.

(c) AUTHORITY FOR STATE NONMEMBER BANKS, THRIFTS, AND CREDIT UNIONS TO OFFER NO-FEE ACCOUNTS.—The Federal reserve banks shall permit State banks, Federal thrifts, State thrifts, and credit unions
that are not member banks to offer No-Fee Accounts in compliance with the requirements of subsection (b)(2).

Each State bank, Federal thrift, State thrift, or credit union electing to offer No-Fee Accounts shall be entitled to cost reimbursement similar to the reimbursement described in subsection (b)(3).

(d) Mandate for Federal Reserve Banks to Maintain No-Fee Accounts.—

(1) Requirement.—Subject to such restrictions, limitations, and regulations as may be imposed by the Board of Governors of the Federal Reserve System, each Federal reserve bank shall maintain No-Fee Accounts.

(2) United States Postal Service Facilities.—Federal reserve banks shall partner with United States Postal Service facilities—

(A) to ensure access and availability to application and account services for No-Fee Accounts for all covered persons, including in areas where access to a physical branch of a member bank is limited; and

(B) shall provide, in conjunction with the United States Postal Service, access to automated teller machines to be maintained on be-
half of the Board by the United States Postal Service facilities.

(3) TERMS OF NO-FEE ACCOUNTS.—Federal reserve banks shall ensure that No-Fee Accounts established under this section comply with the requirements of subsection (b)(2).


(5) PENALTIES.—The Board of Governors of the Federal Reserve System shall, by rule, establish penalties that are similar to the penalties imposed on individuals for willfully disclosing return or return information (as defined in section 6103(b) of the Internal Revenue Code of 1986), other than as authorized in such Code.

(e) RULES.—The Board of Governors of the Federal Reserve System shall issue rules to carry out this section.

(f) IMPLEMENTATION.—

(1) NOTICE.—Not later than 18 months after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall provide
a public notice of the establishment of necessary systems and protocols to support the implementation of No-Fee Accounts at Federal reserve banks.

(2) Establishment.—Not later than 1 month after the publication of the notice described in subparagraph (A), all Federal reserve banks shall make No-Fee Accounts available to all covered persons.