

104TH CONGRESS
2D SESSION

S. 1687

To provide for annual payments from the surplus funds of the Federal Reserve System to cover the interest on obligations issued by the Financing Corporation.

IN THE SENATE OF THE UNITED STATES

APRIL 18, 1996

Mr. KERRY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

A BILL

To provide for annual payments from the surplus funds of the Federal Reserve System to cover the interest on obligations issued by the Financing Corporation.

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 Sur-
5 plus Act of 1996”.

1 **SEC. 2. TRANSFER OF FEDERAL RESERVE SURPLUS FUNDS**
2 **TO MEET FICO CARRYING COSTS.**

3 (a) IN GENERAL.—Section 7(a) of the Federal Re-
4 serve Act (12 U.S.C. 289) is amended by adding at the
5 end the following new paragraph:

6 “(4) FICO PAYMENTS.—

7 “(A) IN GENERAL.—During the period be-
8 ginning on the date of enactment of the Federal
9 Reserve Surplus Act of 1996 and ending on the
10 date on which the Financing Corporation ceases
11 to have any obligations outstanding under sec-
12 tion 21(e) of the Federal Home Loan Bank
13 Act, the Board shall annually transfer (in addi-
14 tion to the transfers of funds required under
15 paragraph (3)) to the Financing Corporation,
16 from amounts in the surplus funds of the Fed-
17 eral reserve banks, an amount equal to
18 \$3,000,000,000 divided by the number of cal-
19 endar years any portion of which falls within
20 such period for use in accordance with section
21 21(f)(1) of the Federal Home Loan Bank Act.

22 “(B) ALLOCATION.—The Board shall an-
23 nually determine, on the basis of such factors
24 as the Board considers appropriate, the manner
25 in which the amount of the obligation of the
26 Board under subparagraph (A) shall be allo-

1 cated among the surplus funds of the Federal
2 reserve banks.”.

3 (b) CONFORMING AMENDMENT.—Paragraph (1) of
4 section 21(f) of the Federal Home Loan Bank Act (12
5 U.S.C. 1441(f)) is amended to read as follows:

6 “(1) FEDERAL RESERVE SURPLUS.—

7 “(A) IN GENERAL.—Amounts transferred
8 to the Financing Corporation by the Board of
9 Governors of the Federal Reserve System from
10 the surplus funds of the Federal reserve banks
11 in accordance with section 7(a)(4) of the Fed-
12 eral Reserve Act.

13 “(B) TREATMENT IN CASE OF BANK IN-
14 SURANCE FUND MEMBER ASSESSMENTS.—To
15 the extent Bank Insurance Fund members (as
16 defined in section 7(l)(4) of the Federal Deposit
17 Insurance Act) are subject to any assessments
18 under this subsection, the total amount of such
19 assessments which, but for this subparagraph,
20 would be imposed on all such members for any
21 year shall be reduced by the transferred amount
22 referred to in subparagraph (A) with respect to
23 such year.”.

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