

NOVEMBER 10, 2015

**RULES COMMITTEE PRINT 114-35**  
**TEXT OF H.R. 3189, FORM ACT OF 2015**

**[Showing the texts of H.R. 3189 and H.R. 2912 as ordered  
reported by the Committee on Financial Services.]**

**1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Fed Oversight Reform and Modernization Act of 2015”  
4 or the “FORM Act of 2015”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Requirements for policy rules of the Federal Open Market Committee.
- Sec. 3. Federal Open Market Committee blackout period.
- Sec. 4. Membership of Federal Open Market Committee.
- Sec. 5. Requirements for stress tests and supervisory letters for the Board of Governors of the Federal Reserve System.
- Sec. 6. Frequency of testimony of the Chairman of the Board of Governors of the Federal Reserve System to Congress.
- Sec. 7. Vice Chairman for Supervision report requirement.
- Sec. 8. Economic analysis of regulations of the Board of Governors of the Federal Reserve System.
- Sec. 9. Salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System.
- Sec. 10. Requirements for international processes.
- Sec. 11. Amendments to powers of the Board of Governors of the Federal Reserve System.
- Sec. 12. Interest rates on balances maintained at a Federal Reserve bank by depository institutions established by Federal Open Market Committee.
- Sec. 13. Audit reform and transparency for the Board of Governors of the Federal Reserve System.
- Sec. 14. Reporting requirement for Export-Import Bank.
- Sec. 15. Membership of Board of Directors of the Federal reserve banks.
- Sec. 16. Establishment of a Centennial Monetary Commission.

1 **SEC. 2. REQUIREMENTS FOR POLICY RULES OF THE FED-**  
2 **ERAL OPEN MARKET COMMITTEE.**

3 The Federal Reserve Act (12 U.S.C. 221 et seq.) is  
4 amended by inserting after section 2B the following new  
5 section:

6 **“SEC. 2C. DIRECTIVE POLICY RULES OF THE FEDERAL**  
7 **OPEN MARKET COMMITTEE.**

8 “(a) DEFINITIONS.—In this section the following  
9 definitions shall apply:

10 “(1) APPROPRIATE CONGRESSIONAL COMMIT-

11 TEES.—The term ‘appropriate congressional com-

12 mittees’ means the Committee on Financial Services

13 of the House of Representatives and the Committee

14 on Banking, Housing, and Urban Affairs of the Sen-

15 ate.

16 “(2) DIRECTIVE POLICY RULE.—The term ‘Di-

17 rective Policy Rule’ means a policy rule developed by

18 the Federal Open Market Committee that meets the

19 requirements of subsection (c) and that provides the

20 basis for the Open Market Operations Directive.

21 “(3) GDP.—The term ‘GDP’ means the gross

22 domestic product of the United States as computed

23 and published by the Department of Commerce.

24 “(4) INTERMEDIATE POLICY INPUT.—The term

25 ‘Intermediate Policy Input’—

1           “(A) may include any variable determined  
2           by the Federal Open Market Committee as a  
3           necessary input to guide open-market oper-  
4           ations;

5           “(B) shall include an estimate of, and the  
6           method of calculation for, the current rate of  
7           inflation or current inflation expectations; and

8           “(C) shall include, specifying whether the  
9           variable or estimate is historical, current, or a  
10          forecast and the method of calculation, at least  
11          one of—

12                  “(i) an estimate of real GDP, nominal  
13                  GDP, or potential GDP;

14                  “(ii) an estimate of the monetary ag-  
15                  gregate compiled by the Board of Gov-  
16                  ernors of the Federal Reserve System and  
17                  Federal reserve banks; or

18                  “(iii) an interactive variable or a net  
19                  estimate composed of the estimates de-  
20                  scribed in clauses (i) and (ii).

21           “(5) LEGISLATIVE DAY.—The term ‘legislative  
22           day’ means a day on which either House of Congress  
23           is in session.

24           “(6) OPEN MARKET OPERATIONS DIRECTIVE.—  
25           The term ‘Open Market Operations Directive’ means

1 an order to achieve a specified Policy Instrument  
2 Target provided to the Federal Reserve Bank of  
3 New York by the Federal Open Market Committee  
4 pursuant to powers authorized under section 14 of  
5 this Act that guide open-market operations.

6 “(7) POLICY INSTRUMENT.—The term ‘Policy  
7 Instrument’ means—

8 “(A) the nominal Federal funds rate;

9 “(B) the nominal rate of interest paid on  
10 nonborrowed reserves; or

11 “(C) the discount window primary credit  
12 interest rate most recently published on the  
13 Federal Reserve Statistical Release on selected  
14 interest rates (daily or weekly), commonly re-  
15 ferred to as the H.15 release.

16 “(8) POLICY INSTRUMENT TARGET.—The term  
17 ‘Policy Instrument Target’ means the target for the  
18 Policy Instrument specified in the Open Market Op-  
19 erations Directive.

20 “(9) REFERENCE POLICY RULE.—The term  
21 ‘Reference Policy Rule’ means a calculation of the  
22 nominal Federal funds rate as equal to the sum of  
23 the following:

24 “(A) The rate of inflation over the pre-  
25 vious four quarters.

1           “(B) One-half of the percentage deviation  
2           of the real GDP from an estimate of potential  
3           GDP.

4           “(C) One-half of the difference between the  
5           rate of inflation over the previous four quarters  
6           and two percent.

7           “(D) Two percent.

8           “(b) SUBMITTING A DIRECTIVE POLICY RULE.—Not  
9           later than 48 hours after the end of a meeting of the Fed-  
10          eral Open Market Committee, the Chairman of the Fed-  
11          eral Open Market Committee shall submit to the appro-  
12          priate congressional committees and the Comptroller Gen-  
13          eral of the United States a Directive Policy Rule and a  
14          statement that identifies the members of the Federal Open  
15          Market Committee who voted in favor of the Rule.

16          “(c) REQUIREMENTS FOR A DIRECTIVE POLICY  
17          RULE.—A Directive Policy Rule shall—

18                 “(1) identify the Policy Instrument the Direc-  
19                 tive Policy Rule is designed to target;

20                 “(2) describe the strategy or rule of the Federal  
21                 Open Market Committee for the systematic quan-  
22                 titative adjustment of the Policy Instrument Target  
23                 to respond to a change in the Intermediate Policy  
24                 Inputs;

1           “(3) include a function that comprehensively  
2 models the interactive relationship between the In-  
3 termediate Policy Inputs;

4           “(4) include the coefficients of the Directive  
5 Policy Rule that generate the current Policy Instru-  
6 ment Target and a range of predicted future values  
7 for the Policy Instrument Target if changes occur in  
8 any Intermediate Policy Input;

9           “(5) describe the procedure for adjusting the  
10 supply of bank reserves to achieve the Policy Instru-  
11 ment Target;

12           “(6) include a statement as to whether the Di-  
13 rective Policy Rule substantially conforms to the  
14 Reference Policy Rule and, if applicable—

15           “(A) an explanation of the extent to which  
16 it departs from the Reference Policy Rule;

17           “(B) a detailed justification for that depar-  
18 ture; and

19           “(C) a description of the circumstances  
20 under which the Directive Policy Rule may be  
21 amended in the future;

22           “(7) include a certification that such Rule is ex-  
23 pected to support the economy in achieving stable  
24 prices and maximum natural employment over the  
25 long term; and

1           “(8) include a calculation that describes with  
2           mathematical precision the expected annual inflation  
3           rate over a 5-year period.

4           “(d) GAO REPORT.—The Comptroller General of the  
5           United States shall compare the Directive Policy Rule sub-  
6           mitted under subsection (b) with the rule that was most  
7           recently submitted to determine whether the Directive Pol-  
8           icy Rule has materially changed. If the Directive Policy  
9           Rule has materially changed, the Comptroller General  
10          shall, not later than 7 days after each meeting of the Fed-  
11          eral Open Market Committee, prepare and submit a com-  
12          pliance report to the appropriate congressional committees  
13          specifying whether the Directive Policy Rule submitted  
14          after that meeting and the Federal Open Market Com-  
15          mittee are in compliance with this section.

16          “(e) CHANGING MARKET CONDITIONS.—

17                 “(1) RULE OF CONSTRUCTION.—Nothing in  
18                 this Act shall be construed to require that the plans  
19                 with respect to the systematic quantitative adjust-  
20                 ment of the Policy Instrument Target described  
21                 under subsection (c)(2) be implemented if the Fed-  
22                 eral Open Market Committee determines that such  
23                 plans cannot or should not be achieved due to  
24                 changing market conditions.

1           “(2) GAO APPROVAL OF UPDATE.—Upon deter-  
2           mining that plans described in paragraph (1) cannot  
3           or should not be achieved, the Federal Open Market  
4           Committee shall submit an explanation for that de-  
5           termination and an updated version of the Directive  
6           Policy Rule to the Comptroller General of the  
7           United States and the appropriate congressional  
8           committees not later than 48 hours after making the  
9           determination. The Comptroller General shall, not  
10          later than 48 hours after receiving such updated  
11          version, prepare and submit to the appropriate con-  
12          gressional committees a compliance report deter-  
13          mining whether such updated version and the Fed-  
14          eral Open Market Committee are in compliance with  
15          this section.

16          “(f) DIRECTIVE POLICY RULE AND FEDERAL OPEN  
17 MARKET COMMITTEE NOT IN COMPLIANCE.—

18           “(1) IN GENERAL.—If the Comptroller General  
19           of the United States determines that the Directive  
20           Policy Rule and the Federal Open Market Com-  
21           mittee are not in compliance with this section in the  
22           report submitted pursuant to subsection (d), or that  
23           the updated version of the Directive Policy Rule and  
24           the Federal Open Market Committee are not in com-  
25           pliance with this section in the report submitted pur-



1       suant to subsection (e)(2), the Chairman of the  
2       Board of Governors of the Federal Reserve System  
3       shall, if requested by the chairman of either of the  
4       appropriate congressional committees, not later than  
5       7 legislative days after such request, testify before  
6       such committee as to why the Directive Policy Rule,  
7       the updated version, or the Federal Open Market  
8       Committee is not in compliance.

9               “(2) GAO AUDIT.—Notwithstanding subsection  
10       (b) of section 714 of title 31, United States Code,  
11       upon submitting a report of noncompliance pursuant  
12       to subsection (d) or subsection (e)(2) and after the  
13       period of 7 legislative days described in paragraph  
14       (1), the Comptroller General shall audit the conduct  
15       of monetary policy by the Board of Governors of the  
16       Federal Reserve System and the Federal Open Mar-  
17       ket Committee upon request of the appropriate con-  
18       gressional committee. Such committee may specify  
19       the parameters of such audit.

20              “(g) CONGRESSIONAL HEARINGS.—The Chairman of  
21       the Board of Governors of the Federal Reserve System  
22       shall, if requested by the chairman of either of the appro-  
23       priate congressional committees and not later than 7 legis-  
24       lative days after such request, appear before such com-

1 mittee to explain any change to the Directive Policy  
2 Rule.”.

3 **SEC. 3. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**  
4 **PERIOD.**

5 Section 12A of the Federal Reserve Act (12 U.S.C.  
6 263) is amended by adding at the end the following new  
7 subsection:

8 “(d) BLACKOUT PERIOD.—

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

15 “(A) The dissemination of published data,  
16 surveys, and reports that have been cleared for  
17 publication by the Board of Governors of the  
18 Federal Reserve System.

19 “(B) Answers to technical questions spe-  
20 cific to a data release.

21 “(C) Communications with respect to the  
22 prudential or supervisory functions of the  
23 Board of Governors.

24 “(2) BLACKOUT PERIOD DEFINED.—For pur-  
25 poses of this subsection, and with respect to a meet-

1       ing of the Committee described under subsection (a),  
2       the term ‘blackout period’ means the time period  
3       that—

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

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

9               “(3) EXEMPTION FOR CHAIRMAN OF THE  
10       BOARD OF GOVERNORS.—Nothing in this section  
11       shall prohibit the Chairman of the Board of Gov-  
12       ernors of the Federal Reserve System from partici-  
13       pating in or issuing public communications.”.

14   **SEC. 4. MEMBERSHIP OF FEDERAL OPEN MARKET COM-**  
15               **MITTEE.**

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

18               (1) in the first sentence, by striking “five” and  
19       inserting “six”;

20               (2) in the second sentence, by striking “One by  
21       the board of directors” and all that follows through  
22       the period at the end and inserting the following:  
23       “One by the boards of directors of the Federal Re-  
24       serve Banks of New York and Boston; one by the  
25       boards of directors of the Federal Reserve Banks of

1 Philadelphia and Cleveland; one by the boards of di-  
2 rectors of the Federal Reserve Banks of Richmond  
3 and Atlanta; one by the boards of directors of the  
4 Federal Reserve Banks of Chicago and St. Louis;  
5 one by the boards of directors of the Federal Re-  
6 serve Banks of Minneapolis and Kansas City; and  
7 one by the boards of directors of the Federal Re-  
8 serve Banks of Dallas and San Francisco.”; and

9 (3) by inserting after the second sentence the  
10 following: “In odd numbered calendar years, one  
11 representative shall be elected from each of the Fed-  
12 eral Reserve Banks of Boston, Philadelphia, Rich-  
13 mond, Chicago, Minneapolis, and Dallas. In even-  
14 numbered calendar years, one representative shall be  
15 elected from each of the Federal Reserve Banks of  
16 New York, Cleveland, Atlanta, St. Louis, Kansas  
17 City, and San Francisco.”.

18 **SEC. 5. REQUIREMENTS FOR STRESS TESTS AND SUPER-**  
19 **VISORY LETTERS FOR THE BOARD OF GOV-**  
20 **ERNORS OF THE FEDERAL RESERVE SYSTEM.**

21 (a) STRESS TEST RULEMAKING, GAO REVIEW, AND  
22 PUBLICATION OF RESULTS.—Section 165(i)(1)(B) of the  
23 Dodd-Frank Wall Street Reform and Consumer Protec-  
24 tion Act (12 U.S.C. 5365(i)(1)(B)) is amended—

25 (1) by amending clause (i) to read as follows:

1 “(i) shall—

2 “(I) issue regulations, after pro-  
3 viding for public notice and comment,  
4 that provide for at least 3 different  
5 sets of conditions under which the  
6 evaluation required by this subsection  
7 shall be conducted, including baseline,  
8 adverse, and severely adverse, and  
9 methodologies, including models used  
10 to estimate losses on certain assets;  
11 and

12 “(II) provide copies of such regu-  
13 lations to the Comptroller General of  
14 the United States and the Panel of  
15 Economic Advisors of the Congres-  
16 sional Budget Office before publishing  
17 such regulations;”; and

18 (2) in clause (v), by inserting before the period  
19 the following: “, including any results of a resub-  
20 mitted test”.

21 (b) APPLICATION OF CCAR.—Section 165(i)(1) of  
22 such Act is further amended by adding at the end the fol-  
23 lowing new subparagraph:

24 “(C) APPLICATION TO CCAR.—The require-  
25 ments of subparagraph (B) shall apply to all

1 stress tests performed under the Comprehensive  
2 Capital Analysis and Review exercise estab-  
3 lished by the Board of Governors.”.

4 (c) PUBLICATION OF THE NUMBER OF SUPERVISORY  
5 LETTERS SENT TO THE LARGEST BANK HOLDING COM-  
6 PANIES.—Section 165 of such Act is further amended by  
7 adding at the end the following new subsection:

8 “(1) PUBLICATION OF SUPERVISORY LETTER INFOR-  
9 MATION.—The Board of Governors shall publicly dis-  
10 close—

11 “(1) the aggregate number of supervisory let-  
12 ters sent to bank holding companies described in  
13 subsection (a) since the date of the enactment of  
14 this section, and keep such number updated; and

15 “(2) the aggregate number of such letters that  
16 are designated as ‘Matters Requiring Attention’ and  
17 the aggregate number of such letters that are des-  
18 ignated as ‘Matters Requiring Immediate Atten-  
19 tion’.”.

20 **SEC. 6. FREQUENCY OF TESTIMONY OF THE CHAIRMAN OF**  
21 **THE BOARD OF GOVERNORS OF THE FED-**  
22 **ERAL RESERVE SYSTEM TO CONGRESS.**

23 (a) IN GENERAL.—Section 2B of the Federal Reserve  
24 Act (12 U.S.C. 225b) is amended—

1 (1) by striking “semi-annual” each place it ap-  
2 pears and inserting “quarterly”; and

3 (2) in subsection (a)(2)—

4 (A) by inserting “and October 20” after  
5 “July 20” each place it appears; and

6 (B) by inserting “and May 20” after  
7 “February 20” each place it appears.

8 (b) CONFORMING AMENDMENT.—Paragraph (12) of  
9 section 10 of the Federal Reserve Act (12 U.S.C.  
10 247b(12)) is amended by striking “semi-annual” and in-  
11 serting “quarterly”.

12 **SEC. 7. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**  
13 **QUIREMENT.**

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

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

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

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

11 **SEC. 8. ECONOMIC ANALYSIS OF REGULATIONS OF THE**  
12 **BOARD OF GOVERNORS OF THE FEDERAL RE-**  
13 **SERVE SYSTEM.**

14 (a) AMENDMENT TO FEDERAL RESERVE ACT.—Sec-  
15 tion 11 of the Federal Reserve Act (12 U.S.C. 248) is  
16 amended by inserting after subsection (l) the following  
17 new subsection:

18 “(m) CONSIDERATION OF ECONOMIC IMPACTS.—

19 “(1) IN GENERAL.—Before issuing any regula-  
20 tion, the Board of Governors of the Federal Reserve  
21 System shall—

22 “(A) clearly identify the nature and source  
23 of the problem that the proposed regulation is  
24 designed to address and assess the significance  
25 of that problem;



1           “(B) assess whether any new regulation is  
2 warranted or, with respect to a proposed regu-  
3 lation that the Board of Governors is required  
4 to issue by statute and with respect to which  
5 the Board has the authority to exempt certain  
6 persons from the application of such regulation,  
7 compare—

8                   “(i) the costs and benefits of the pro-  
9 posed regulation; and

10                   “(ii) the costs and benefits of a regu-  
11 lation under which the Board exempts all  
12 persons from the application of the pro-  
13 posed regulation, to the extent the Board  
14 is able;

15           “(C) assess the qualitative and quan-  
16 titative costs and benefits of the proposed regu-  
17 lation and propose or adopt a regulation only  
18 on a reasoned determination that the benefits  
19 of the proposed regulation outweigh the costs of  
20 the regulation;

21           “(D) identify and assess available alter-  
22 natives to the proposed regulation that were  
23 considered, including any alternative offered by  
24 a member of the Board of Governors of the  
25 Federal Reserve System or the Federal Open

1 Market Committee and including any modifica-  
2 tion of an existing regulation, together with an  
3 explanation of why the regulation meets the  
4 regulatory objectives more effectively than the  
5 alternatives; and

6 “(E) ensure that any proposed regulation  
7 is accessible, consistent, written in plain lan-  
8 guage, and easy to understand and shall meas-  
9 ure, and seek to improve, the actual results of  
10 regulatory requirements.

11 “(2) CONSIDERATIONS AND ACTIONS.—

12 “(A) REQUIRED ACTIONS.—In deciding  
13 whether and how to regulate, the Board shall  
14 assess the costs and benefits of available regu-  
15 latory alternatives, including the alternative of  
16 not regulating, and choose the approach that  
17 maximizes net benefits. Specifically, the Board  
18 shall—

19 “(i) evaluate whether, consistent with  
20 achieving regulatory objectives, the regula-  
21 tion is tailored to impose the least impact  
22 on the availability of credit and economic  
23 growth and to impose the least burden on  
24 society, including market participants, in-  
25 dividuals, businesses of different sizes, and

1 other entities (including State and local  
2 governmental entities), taking into ac-  
3 count, to the extent practicable, the cumu-  
4 lative costs of regulations;

5 “(ii) evaluate whether the regulation  
6 is inconsistent, incompatible, or duplicative  
7 of other Federal regulations; and

8 “(iii) with respect to a proposed regu-  
9 lation that the Board is required to issue  
10 by statute and with respect to which the  
11 Board has the authority to exempt certain  
12 persons from the application of such regu-  
13 lation, compare—

14 “(I) the costs and benefits of the  
15 proposed regulation; and

16 “(II) the costs and benefits of a  
17 regulation under which the Board ex-  
18 empts all persons from the application  
19 of the proposed regulation, to the ex-  
20 tent the Board is able.

21 “(B) ADDITIONAL CONSIDERATIONS.—In  
22 addition, in making a reasoned determination of  
23 the costs and benefits of a proposed regulation,  
24 the Board shall, to the extent that each is rel-  
25 evant to the particular proposed regulation,

1 take into consideration the impact of the regu-  
2 lation, including secondary costs such as an in-  
3 crease in the cost or a reduction in the avail-  
4 ability of credit or investment services or prod-  
5 ucts, on—

6 “(i) the safety and soundness of the  
7 United States banking system;

8 “(ii) market liquidity in securities  
9 markets;

10 “(iii) small businesses;

11 “(iv) community banks;

12 “(v) economic growth;

13 “(vi) cost and access to capital;

14 “(vii) market stability;

15 “(viii) global competitiveness;

16 “(ix) job creation;

17 “(x) the effectiveness of the monetary  
18 policy transmission mechanism; and

19 “(xi) employment levels.

20 “(3) EXPLANATION AND COMMENTS.—The  
21 Board shall explain in its final rule the nature of  
22 comments that it received and shall provide a re-  
23 sponse to those comments in its final rule, including  
24 an explanation of any changes that were made in re-  
25 sponse to those comments and the reasons that the

1 Board did not incorporate concerns related to the  
2 potential costs or benefits in the final rule.

3 “(4) POSTADOPTION IMPACT ASSESSMENT.—

4 “(A) IN GENERAL.—Whenever the Board  
5 adopts or amends a regulation designated as a  
6 ‘major rule’ within the meaning of section  
7 804(2) of title 5, United States Code, it shall  
8 state, in its adopting release, the following:

9 “(i) The purposes and intended con-  
10 sequences of the regulation.

11 “(ii) The assessment plan that will be  
12 used, consistent with the requirements of  
13 subparagraph (B), to assess whether the  
14 regulation has achieved the stated pur-  
15 poses.

16 “(iii) Appropriate postimplementation  
17 quantitative and qualitative metrics to  
18 measure the economic impact of the regu-  
19 lation and the extent to which the regula-  
20 tion has accomplished the stated purpose  
21 of the regulation.

22 “(iv) Any reasonably foreseeable indi-  
23 rect effects that may result from the regu-  
24 lation.

1                   “(B) REQUIREMENTS OF ASSESSMENT  
2                   PLAN AND REPORT.—

3                   “(i) REQUIREMENTS OF PLAN.—The  
4                   assessment plan required under this para-  
5                   graph shall consider the costs, benefits,  
6                   and intended and unintended consequences  
7                   of the regulation. The plan shall specify  
8                   the data to be collected, the methods for  
9                   collection and analysis of the data, and a  
10                  date for completion of the assessment. The  
11                  assessment plan shall include an analysis  
12                  of any jobs added or lost as a result of the  
13                  regulation, differentiating between public  
14                  and private sector jobs.

15                  “(ii) SUBMISSION AND PUBLICATION  
16                  OF REPORT.—The Board shall, not later  
17                  than 2 years after the publication of the  
18                  adopting release, publish the assessment  
19                  plan in the Federal Register for notice and  
20                  comment. If the Board determines, at least  
21                  90 days before the deadline for publication  
22                  of the assessment plan, that an extension  
23                  is necessary, the Board shall publish a no-  
24                  tice of such extension and the specific rea-  
25                  sons why the extension is necessary in the

1 Federal Register. Any material modifica-  
2 tion of the assessment plan, as necessary  
3 to assess unforeseen aspects or con-  
4 sequences of the regulation, shall be  
5 promptly published in the Federal Register  
6 for notice and comment.

7 “(iii) DATA COLLECTION NOT SUB-  
8 JECT TO NOTICE AND COMMENT REQUIRE-  
9 MENTS.—If the Board has published the  
10 assessment plan for notice and comment at  
11 least 30 days before the adoption of a reg-  
12 ulation designated as a major rule, the col-  
13 lection of data under the assessment plan  
14 shall not be subject to the notice and com-  
15 ment requirements in section 3506(c) of  
16 title 44, United States Code (commonly re-  
17 ferred to as the Paperwork Reduction Act).  
18 Any material modification of the plan that  
19 requires collection of data not previously  
20 published for notice and comment shall  
21 also be exempt from such requirements if  
22 the Board has published notice in the Fed-  
23 eral Register for comment on the addi-  
24 tional data to be collected, at least 30 days  
25 before the initiation of data collection.

1                   “(iv) FINAL ACTION.—Not later than  
2                   180 days after publication of the assess-  
3                   ment plan in the Federal Register, the  
4                   Board shall issue for notice and comment  
5                   a proposal to amend or rescind the regula-  
6                   tion, or shall publish a notice that the  
7                   Board has determined that no action will  
8                   be taken on the regulation. Such a notice  
9                   will be deemed a final agency action.

10                   “(5) COVERED REGULATIONS AND OTHER AC-  
11                   TIONS.—Solely as used in this subsection, the term  
12                   ‘regulation’—

13                   “(A) means a statement of general applica-  
14                   bility and future effect that is designed to im-  
15                   plement, interpret, or prescribe law or policy, or  
16                   to describe the procedure or practice require-  
17                   ments of the Board of Governors, including  
18                   rules, orders of general applicability, interpre-  
19                   tive releases, and other statements of general  
20                   applicability that the Board of Governors in-  
21                   tends to have the force and effect of law; and

22                   “(B) does not include—

23                   “(i) a regulation issued in accordance  
24                   with the formal rulemaking provisions of



1 section 556 or 557 of title 5, United States  
2 Code;

3 “(ii) a regulation that is limited to the  
4 organization, management, or personnel  
5 matters of the Board of Governors;

6 “(iii) a regulation promulgated pursu-  
7 ant to statutory authority that expressly  
8 prohibits compliance with this provision; or

9 “(iv) a regulation that is certified by  
10 the Board of Governors to be an emer-  
11 gency action, if such certification is pub-  
12 lished in the Federal Register.”.

13 (b) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
14 tion shall apply to the requirements regarding the conduct  
15 of monetary policy described in section 2.

16 **SEC. 9. SALARIES, FINANCIAL DISCLOSURES, AND OFFICE**  
17 **STAFF OF THE BOARD OF GOVERNORS OF**  
18 **THE FEDERAL RESERVE SYSTEM.**

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

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

24 (2) by adding at the end the following new sub-  
25 sections:

1           “(u) ETHICS STANDARDS FOR MEMBERS AND EM-  
2 PLOYEES.—

3           “(1) PROHIBITED AND RESTRICTED FINANCIAL  
4 INTERESTS AND TRANSACTIONS.—The members and  
5 employees of the Board of Governors of the Federal  
6 Reserve System shall be subject to the provisions  
7 under section 4401.102 of title 5, Code of Federal  
8 Regulations, to the same extent as such provisions  
9 apply to an employee of the Securities and Exchange  
10 Commission.

11           “(2) TREATMENT OF BROKERAGE ACCOUNTS  
12 AND AVAILABILITY OF ACCOUNT STATEMENTS.—The  
13 members and employees of the Board of Governors  
14 of the Federal Reserve System shall—

15           “(A) disclose all brokerage accounts that  
16 they maintain, as well as those in which they  
17 control trading or have a financial interest (in-  
18 cluding managed accounts, trust accounts, in-  
19 vestment club accounts, and the accounts of  
20 spouses or minor children who live with the  
21 member or employee); and

22           “(B) with respect to any securities account  
23 that the member or employee is required to dis-  
24 close to the Board of Governors, authorize their

1           brokers and dealers to send duplicate account  
2           statements directly to Board of Governors.

3           “(3) PROHIBITIONS RELATED TO OUTSIDE EM-  
4           PLOYMENT AND ACTIVITIES.—The members and em-  
5           ployees of the Board of Governors of the Federal  
6           Reserve System shall be subject to the prohibitions  
7           related to outside employment and activities de-  
8           scribed under section 4401.103(c) of title 5, Code of  
9           Federal Regulations, to the same extent as such pro-  
10          hibitions apply to an employee of the Securities and  
11          Exchange Commission.

12          “(4) ADDITIONAL ETHICS STANDARDS.—The  
13          members and employees of the Board of Governors  
14          of the Federal Reserve System shall be subject to—

15                 “(A) the employee responsibilities and con-  
16                 duct regulations of the Office of Personnel  
17                 Management under part 735 of title 5, Code of  
18                 Federal Regulations;

19                 “(B) the canons of ethics contained in sub-  
20                 part C of part 200 of title 17, Code of Federal  
21                 Regulations, to the same extent as such subpart  
22                 applies to the employees of the Securities and  
23                 Exchange Commission; and

24                 “(C) the regulations concerning the con-  
25                 duct of members and employees and former

1 members and employees contained in subpart M  
2 of part 200 of title 17, Code of Federal Regula-  
3 tions, to the same extent as such subpart ap-  
4 plies to the employees of the Securities and Ex-  
5 change Commission.

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

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

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

19 (b) OFFICE STAFF FOR EACH MEMBER OF THE  
20 BOARD OF GOVERNORS.—Subsection (l) of section 11 of  
21 the Federal Reserve Act (12 U.S.C. 248) is amended by  
22 adding at the end the following: “Each member of the  
23 Board of Governors of the Federal Reserve System may  
24 employ, at a minimum, 2 individuals, with such individuals  
25 selected by such member and the salaries of such individ-

1 uals set by such member. A member may employ addi-  
2 tional individuals as determined necessary by the Board  
3 of Governors.”.

4 **SEC. 10. REQUIREMENTS FOR INTERNATIONAL PROC-**  
5 **ESSES.**

6 (a) BOARD OF GOVERNORS REQUIREMENTS.—Sec-  
7 tion 11 of the Federal Reserve Act (12 U.S.C. 248), as  
8 amended by section 9 of this Act, is further amended by  
9 adding at the end the following new subsection:

10 “(w) INTERNATIONAL PROCESSES.—

11 “(1) NOTICE OF PROCESS; CONSULTATION.—At  
12 least 30 calendar days before any member or em-  
13 ployee of the Board of Governors of the Federal Re-  
14 serve System participates in a process of setting fi-  
15 nancial standards as a part of any foreign or multi-  
16 national entity, the Board of Governors shall—

17 “(A) issue a notice of the process, includ-  
18 ing the subject matter, scope, and goals of the  
19 process, to the Committee on Financial Services  
20 of the House of Representatives and the Com-  
21 mittee on Banking, Housing, and Urban Affairs  
22 of the Senate;

23 “(B) make such notice available to the  
24 public, including on the website of the Board of  
25 Governors; and

1           “(C) solicit public comment, and consult  
2           with the committees described under subpara-  
3           graph (A), with respect to the subject matter,  
4           scope, and goals of the process.

5           “(2) PUBLIC REPORTS ON PROCESS.—After the  
6           end of any process described under paragraph (1),  
7           the Board of Governors shall issue a public report  
8           on the topics that were discussed during the process  
9           and any new or revised rulemakings or policy  
10          changes that the Board of Governors believes should  
11          be implemented as a result of the process.

12          “(3) NOTICE OF AGREEMENTS; CONSULTA-  
13          TION.—At least 90 calendar days before any mem-  
14          ber or employee of the Board of Governors of the  
15          Federal Reserve System participates in a process of  
16          setting financial standards as a part of any foreign  
17          or multinational entity, the Board of Governors  
18          shall—

19                 “(A) issue a notice of agreement to the  
20                 Committee on Financial Services of the House  
21                 of Representatives and the Committee on Bank-  
22                 ing, Housing, and Urban Affairs of the Senate;

23                 “(B) make such notice available to the  
24                 public, including on the website of the Board of  
25                 Governors; and

1           “(C) consult with the committees described  
2           under subparagraph (A) with respect to the na-  
3           ture of the agreement and any anticipated ef-  
4           fects such agreement will have on the economy.

5           “(4) DEFINITION.—For purposes of this sub-  
6           section, the term ‘process’ shall include any official  
7           proceeding or meeting on financial regulation of a  
8           recognized international organization with authority  
9           to set financial standards on a global or regional  
10          level, including the Financial Stability Board, the  
11          Basel Committee on Banking Supervision (or a simi-  
12          lar organization), and the International Association  
13          of Insurance Supervisors (or a similar organiza-  
14          tion).”.

15          (b) FDIC REQUIREMENTS.—The Federal Deposit  
16          Insurance Act (12 U.S.C. 1811 et seq.) is amended by  
17          adding at the end the following new section:

18          **“SEC. 51. INTERNATIONAL PROCESSES.**

19                 “(a) NOTICE OF PROCESS; CONSULTATION.—At least  
20          30 calendar days before the Board of Directors partici-  
21          pates in a process of setting financial standards as a part  
22          of any foreign or multinational entity, the Board of Direc-  
23          tors shall—

24                         “(1) issue a notice of the process, including the  
25          subject matter, scope, and goals of the process, to

1 the Committee on Financial Services of the House of  
2 Representatives and the Committee on Banking,  
3 Housing, and Urban Affairs of the Senate;

4 “(2) make such notice available to the public,  
5 including on the website of the Corporation; and

6 “(3) solicit public comment, and consult with  
7 the committees described under paragraph (1), with  
8 respect to the subject matter, scope, and goals of the  
9 process.

10 “(b) PUBLIC REPORTS ON PROCESS.—After the end  
11 of any process described under subsection (a), the Board  
12 of Directors shall issue a public report on the topics that  
13 were discussed at the process and any new or revised  
14 rulemakings or policy changes that the Board of Directors  
15 believes should be implemented as a result of the process.

16 “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At  
17 least 90 calendar days before the Board of Directors par-  
18 ticipates in a process of setting financial standards as a  
19 part of any foreign or multinational entity, the Board of  
20 Directors shall—

21 “(1) issue a notice of agreement to the Com-  
22 mittee on Financial Services of the House of Rep-  
23 resentatives and the Committee on Banking, Hous-  
24 ing, and Urban Affairs of the Senate;



1           “(2) make such notice available to the public,  
2           including on the website of the Corporation; and

3           “(3) consult with the committees described  
4           under paragraph (1) with respect to the nature of  
5           the agreement and any anticipated effects such  
6           agreement will have on the economy.

7           “(d) DEFINITION.—For purposes of this section, the  
8           term ‘process’ shall include any official proceeding or  
9           meeting on financial regulation of a recognized inter-  
10          national organization with authority to set financial stand-  
11          ards on a global or regional level, including the Financial  
12          Stability Board, the Basel Committee on Banking Super-  
13          vision (or a similar organization), and the International  
14          Association of Insurance Supervisors (or a similar organi-  
15          zation).”.

16          (c) TREASURY REQUIREMENTS.—Section 325 of title  
17          31, United States Code, is amended by adding at the end  
18          the following new subsection:

19          “(d) INTERNATIONAL PROCESSES.—

20                  “(1) NOTICE OF PROCESS; CONSULTATION.—At  
21                  least 30 calendar days before the Secretary partici-  
22                  pates in a process of setting financial standards as  
23                  a part of any foreign or multinational entity, the  
24                  Secretary shall—

1           “(A) issue a notice of the process, includ-  
2           ing the subject matter, scope, and goals of the  
3           process, to the Committee on Financial Services  
4           of the House of Representatives and the Com-  
5           mittee on Banking, Housing, and Urban Affairs  
6           of the Senate;

7           “(B) make such notice available to the  
8           public, including on the website of the Depart-  
9           ment of the Treasury; and

10           “(C) solicit public comment, and consult  
11           with the committees described under subpara-  
12           graph (A), with respect to the subject matter,  
13           scope, and goals of the process.

14           “(2) PUBLIC REPORTS ON PROCESS.—After the  
15           end of any process described under paragraph (1),  
16           the Secretary shall issue a public report on the top-  
17           ics that were discussed at the process and any new  
18           or revised rulemakings or policy changes that the  
19           Secretary believes should be implemented as a result  
20           of the process.

21           “(3) NOTICE OF AGREEMENTS; CONSULTA-  
22           TION.—At least 90 calendar days before the Sec-  
23           retary participates in a process of setting financial  
24           standards as a part of any foreign or multinational  
25           entity, the Secretary shall—

1           “(A) issue a notice of agreement to the  
2           Committee on Financial Services of the House  
3           of Representatives and the Committee on Bank-  
4           ing, Housing, and Urban Affairs of the Senate;

5           “(B) make such notice available to the  
6           public, including on the website of the Depart-  
7           ment of the Treasury; and

8           “(C) consult with the committees described  
9           under subparagraph (A) with respect to the na-  
10          ture of the agreement and any anticipated ef-  
11          fects such agreement will have on the economy.

12          “(4) DEFINITION.—For purposes of this sub-  
13          section, the term ‘process’ shall include any official  
14          proceeding or meeting on financial regulation of a  
15          recognized international organization with authority  
16          to set financial standards on a global or regional  
17          level, including the Financial Stability Board, the  
18          Basel Committee on Banking Supervision (or a simi-  
19          lar organization), and the International Association  
20          of Insurance Supervisors (or a similar organiza-  
21          tion).”.

22          (d) OCC REQUIREMENTS.—Chapter one of title LXII  
23          of the Revised Statutes of the United States (12 U.S.C.  
24          21 et seq.) is amended—

1 (1) by adding at the end the following new sec-  
2 tion:

3 **“SEC. 5156B. INTERNATIONAL PROCESSES.**

4 “(a) NOTICE OF PROCESS; CONSULTATION.—At least  
5 30 calendar days before the Comptroller of the Currency  
6 participates in a process of setting financial standards as  
7 a part of any foreign or multinational entity, the Comp-  
8 troller of the Currency shall—

9 “(1) issue a notice of the process, including the  
10 subject matter, scope, and goals of the process, to  
11 the Committee on Financial Services of the House of  
12 Representatives and the Committee on Banking,  
13 Housing, and Urban Affairs of the Senate;

14 “(2) make such notice available to the public,  
15 including on the website of the Office of the Comp-  
16 troller of the Currency; and

17 “(3) solicit public comment, and consult with  
18 the committees described under paragraph (1), with  
19 respect to the subject matter, scope, and goals of the  
20 process.

21 “(b) PUBLIC REPORTS ON PROCESS.—After the end  
22 of any process described under subsection (a), the Comp-  
23 troller of the Currency shall issue a public report on the  
24 topics that were discussed at the process and any new or  
25 revised rulemakings or policy changes that the Comp-

1 troller of the Currency believes should be implemented as  
2 a result of the process.

3 “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At  
4 least 90 calendar days before the Comptroller of the Cur-  
5 rency participates in a process of setting financial stand-  
6 ards as a part of any foreign or multinational entity, the  
7 Board of Directors shall—

8 “(1) issue a notice of agreement to the Com-  
9 mittee on Financial Services of the House of Rep-  
10 resentatives and the Committee on Banking, Hous-  
11 ing, and Urban Affairs of the Senate;

12 “(2) make such notice available to the public,  
13 including on the website of the Office of the Comp-  
14 troller of the Currency; and

15 “(3) consult with the committees described  
16 under paragraph (1) with respect to the nature of  
17 the agreement and any anticipated effects such  
18 agreement will have on the economy.

19 “(d) DEFINITION.—For purposes of this section, the  
20 term ‘process’ shall include any official proceeding or  
21 meeting on financial regulation of a recognized inter-  
22 national organization with authority to set financial stand-  
23 ards on a global or regional level, including the Financial  
24 Stability Board, the Basel Committee on Banking Super-  
25 vision (or a similar organization), and the International

1 Association of Insurance Supervisors (or a similar organi-  
2 zation).”; and

3 (2) in the table of contents for such chapter, by  
4 adding at the end the following new item:

“5156B. International processes.”.

5 (e) SECURITIES AND EXCHANGE COMMISSION RE-  
6 QUIREMENTS.—Section 4 of the Securities Exchange Act  
7 of 1934 (15 U.S.C. 78d) is amended by adding at the end  
8 the following new subsection:

9 “(j) INTERNATIONAL PROCESSES.—

10 “(1) NOTICE OF PROCESS; CONSULTATION.—At  
11 least 30 calendar days before the Commission par-  
12 ticipates in a process of setting financial standards  
13 as a part of any foreign or multinational entity, the  
14 Commission shall—

15 “(A) issue a notice of the process, includ-  
16 ing the subject matter, scope, and goals of the  
17 process, to the Committee on Financial Services  
18 of the House of Representatives and the Com-  
19 mittee on Banking, Housing, and Urban Affairs  
20 of the Senate;

21 “(B) make such notice available to the  
22 public, including on the website of the Commis-  
23 sion; and

24 “(C) solicit public comment, and consult  
25 with the committees described under subpara-

1 graph (A), with respect to the subject matter,  
2 scope, and goals of the process.

3 “(2) PUBLIC REPORTS ON PROCESS.—After the  
4 end of any process described under paragraph (1),  
5 the Commission shall issue a public report on the  
6 topics that were discussed at the process and any  
7 new or revised rulemakings or policy changes that  
8 the Commission believes should be implemented as a  
9 result of the process.

10 “(3) NOTICE OF AGREEMENTS; CONSULTA-  
11 TION.—At least 90 calendar days before the Com-  
12 mission participates in a process of setting financial  
13 standards as a part of any foreign or multinational  
14 entity, the Commission shall—

15 “(A) issue a notice of agreement to the  
16 Committee on Financial Services of the House  
17 of Representatives and the Committee on Bank-  
18 ing, Housing, and Urban Affairs of the Senate;

19 “(B) make such notice available to the  
20 public, including on the website of the Commis-  
21 sion; and

22 “(C) consult with the committees described  
23 under subparagraph (A) with respect to the na-  
24 ture of the agreement and any anticipated ef-  
25 fects such agreement will have on the economy.

1           “(4) DEFINITION.—For purposes of this sub-  
2           section, the term ‘process’ shall include any official  
3           proceeding or meeting on financial regulation of a  
4           recognized international organization with authority  
5           to set financial standards on a global or regional  
6           level, including the Financial Stability Board, the  
7           Basel Committee on Banking Supervision (or a simi-  
8           lar organization), and the International Association  
9           of Insurance Supervisors (or a similar organiza-  
10          tion).”.

11 **SEC. 11. AMENDMENTS TO POWERS OF THE BOARD OF**  
12                           **GOVERNORS OF THE FEDERAL RESERVE SYS-**  
13                           **TEM.**

14           (a) IN GENERAL.—Section 13(3) of the Federal Re-  
15          serve Act (12 U.S.C. 343(3)) is amended—

16                   (1) in subparagraph (A)—

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

20                           (B) by inserting “and by the affirmative  
21                           vote of not less than nine presidents of the Fed-  
22                           eral reserve banks” after “five members”;

23                   (2) in subparagraph (B)—

24                           (A) in clause (i), by inserting at the end  
25                           the following: “Federal reserve banks may not



1 accept equity securities issued by the recipient  
2 of any loan or other financial assistance under  
3 this paragraph as collateral. Not later than 6  
4 months after the date of enactment of this sen-  
5 tence, the Board shall, by rule, establish—

6 “(I) a method for determining  
7 the sufficiency of the collateral re-  
8 quired under this paragraph;

9 “(II) acceptable classes of collat-  
10 eral;

11 “(III) the amount of any dis-  
12 count of such value that the Federal  
13 reserve banks will apply for purposes  
14 of calculating the sufficiency of collat-  
15 eral under this paragraph; and

16 “(IV) a method for obtaining  
17 independent appraisals of the value of  
18 collateral the Federal reserve banks  
19 receive.”; and

20 (B) in clause (ii)—

21 (i) by striking the second sentence;

22 and

23 (ii) by inserting after the first sen-  
24 tence the following: “A borrower shall not  
25 be eligible to borrow from any emergency

1           lending program or facility unless the  
2           Board and all federal banking regulators  
3           with jurisdiction over the borrower certify  
4           that, at the time the borrower initially bor-  
5           rows under the program or facility, the  
6           borrower is not insolvent.”;

7           (3) by inserting “financial institution” before  
8           “participant” each place such term appears;

9           (4) in subparagraph (D)(i), by inserting “finan-  
10          cial institution” before “participants”; and

11          (5) by adding at the end the following new sub-  
12          paragraphs:

13                   “(F) PENALTY RATE.—

14                           “(i) IN GENERAL.—Not later than 6  
15                           months after the date of enactment of this  
16                           subparagraph, the Board shall, with re-  
17                           spect to a recipient of any loan or other fi-  
18                           nancial assistance under this paragraph,  
19                           establish by rule a minimum interest rate  
20                           on the principal amount of any loan or  
21                           other financial assistance.

22                           “(ii) MINIMUM INTEREST RATE DE-  
23                           FINED.—In this subparagraph, the term  
24                           ‘minimum interest rate’ shall mean the  
25                           sum of—

1                   “(I) the average of the secondary  
2                   discount rate of all Federal Reserve  
3                   banks over the most recent 90-day pe-  
4                   riod; and

5                   “(II) the average of the dif-  
6                   ference between a distressed corporate  
7                   bond yield index (as defined by rule of  
8                   the Board) and a bond yield index of  
9                   debt issued by the United States (as  
10                  defined by rule of the Board) over the  
11                  most recent 90-day period.

12                  “(G) FINANCIAL INSTITUTION PARTICI-  
13                  PANT DEFINED.—For purposes of this para-  
14                  graph, the term ‘financial institution partici-  
15                  pant’—

16                  “(i) means a company that is pre-  
17                  dominantly engaged in financial activities  
18                  (as defined in section 102(a) of the Dodd-  
19                  Frank Wall Street Reform and Consumer  
20                  Protection Act (12 U.S.C. 5311(a))); and

21                  “(ii) does not include an agency de-  
22                  scribed in subparagraph (W) of section  
23                  5312(a)(2) of title 31, United States Code,  
24                  or an entity controlled or sponsored by  
25                  such an agency.”.

1 (b) CONFORMING AMENDMENT.—Section  
2 11(r)(2)(A) of such Act is amended—

3 (1) in clause (ii)(IV), by striking “; and” and  
4 inserting a semicolon;

5 (2) in clause (iii), by striking the period at the  
6 end and inserting “; and”; and

7 (3) by adding at the end the following new  
8 clause:

9 “(iv) the available members secure the affirma-  
10 tive vote of not less than nine presidents of the Fed-  
11 eral reserve banks.”.

12 **SEC. 12. INTEREST RATES ON BALANCES MAINTAINED AT A**  
13 **FEDERAL RESERVE BANK BY DEPOSITORY**  
14 **INSTITUTIONS ESTABLISHED BY FEDERAL**  
15 **OPEN MARKET COMMITTEE.**

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

20 **SEC. 13. AUDIT REFORM AND TRANSPARENCY FOR THE**  
21 **BOARD OF GOVERNORS OF THE FEDERAL RE-**  
22 **SERVE SYSTEM.**

23 (a) IN GENERAL.—Notwithstanding section 714 of  
24 title 31, United States Code, or any other provision of law,  
25 the Comptroller General of the United States shall com-

1 plete an audit of the Board of Governors of the Federal  
2 Reserve System and the Federal reserve banks under sub-  
3 section (b) of such section 714 within 12 months after  
4 the date of the enactment of this Act.

5 (b) REPORT.—

6 (1) IN GENERAL.—Not later than 90 days after  
7 the audit required pursuant to subsection (a) is com-  
8 pleted, the Comptroller General—

9 (A) shall submit to Congress a report on  
10 such audit; and

11 (B) shall make such report available to the  
12 Speaker of the House, the majority and minor-  
13 ity leaders of the House of Representatives, the  
14 majority and minority leaders of the Senate, the  
15 Chairman and Ranking Member of the com-  
16 mittee and each subcommittee of jurisdiction in  
17 the House of Representatives and the Senate,  
18 and any other Member of Congress who re-  
19 quests the report.

20 (2) CONTENTS.—The report under paragraph  
21 (1) shall include a detailed description of the find-  
22 ings and conclusion of the Comptroller General with  
23 respect to the audit that is the subject of the report,  
24 together with such recommendations for legislative

1 or administrative action as the Comptroller General  
2 may determine to be appropriate.

3 (c) REPEAL OF CERTAIN LIMITATIONS.—Subsection  
4 (b) of section 714 of title 31, United States Code, is  
5 amended by striking the second sentence.

6 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

7 (1) IN GENERAL.—Section 714 of title 31,  
8 United States Code, is amended—

9 (A) in subsection (d)(3), by striking “or  
10 (f)” each place such term appears;

11 (B) in subsection (e), by striking “the  
12 third undesignated paragraph of section 13”  
13 and inserting “section 13(3)”; and

14 (C) by striking subsection (f).

15 (2) FEDERAL RESERVE ACT.—Subsection (s)  
16 (relating to “Federal Reserve Transparency and Re-  
17 lease of Information”) of section 11 of the Federal  
18 Reserve Act (12 U.S.C. 248) is amended—

19 (A) in paragraph (4)(A), by striking “has  
20 the same meaning as in section 714(f)(1)(A) of  
21 title 31, United States Code” and inserting  
22 “means a program or facility, including any  
23 special purpose vehicle or other entity estab-  
24 lished by or on behalf of the Board of Gov-  
25 ernors of the Federal Reserve System or a Fed-

1 eral reserve bank, authorized by the Board of  
2 Governors under section 13(3), that is not sub-  
3 ject to audit under section 714(e) of title 31,  
4 United States Code”;

5 (B) in paragraph (6), by striking “or in  
6 section 714(f)(3)(C) of title 31, United States  
7 Code, the information described in paragraph  
8 (1) and information concerning the transactions  
9 described in section 714(f) of such title,” and  
10 inserting “the information described in para-  
11 graph (1)”;

12 (C) in paragraph (7), by striking “and sec-  
13 tion 13(3)(C), section 714(f)(3)(C) of title 31,  
14 United States Code, and” and inserting “, sec-  
15 tion 13(3)(C), and”.

16 **SEC. 14. REPORTING REQUIREMENT FOR EXPORT-IMPORT**  
17 **BANK.**

18 The Board of Governors of the Federal Reserve Sys-  
19 tem shall include, as part of the monthly Federal Reserve  
20 statistical release titled “Industrial Production or Capac-  
21 ity Utilization” (or any successor release), an analysis  
22 of—

23 (1) the impact on the index described in the  
24 statistical release due to the operation of the Export-  
25 Import Bank; and

1           (2) the amount of foreign industrial production  
2 supported by foreign export credit agencies, using  
3 the same method used to measure industrial produc-  
4 tion in the statistical release and scaled to be com-  
5 parable to the industrial production measurement  
6 for the United States.

7 **SEC. 15. MEMBERSHIP OF BOARD OF DIRECTORS OF THE**  
8 **FEDERAL RESERVE BANKS.**

9           Section 4 of the Federal Reserve Act (12 U.S.C. 302)  
10 is amended—

11           (1) in the eleventh undesignated paragraph (re-  
12 lating to Class B), by striking “and consumers” and  
13 inserting “consumers, and traditionally underserved  
14 communities and populations”; and

15           (2) in the twelfth undesignated paragraph (re-  
16 lating to Class C), by striking “and consumers” and  
17 inserting “consumers, and traditionally underserved  
18 communities and populations”.

19 **SEC. 16. ESTABLISHMENT OF A CENTENNIAL MONETARY**  
20 **COMMISSION.**

21           (a) **SHORT TITLE.**—This section may be cited as the  
22 “Centennial Monetary Commission Act of 2015”.

23           (b) **FINDINGS.**—Congress finds the following:

24           (1) The Constitution endows Congress with the  
25 power “to coin money, regulate the value thereof”.



1           (2) Following the financial crisis known as the  
2           Panic of 1907, Congress established the National  
3           Monetary Commission to provide recommendations  
4           for the reform of the financial and monetary systems  
5           of the United States.

6           (3) Incorporating several of the recommenda-  
7           tions of the National Monetary Commission, Con-  
8           gress created the Federal Reserve System in 1913.  
9           As currently organized, the Federal Reserve System  
10          consists of the Board of Governors in Washington,  
11          District of Columbia, and the Federal Reserve  
12          Banks organized into 12 districts around the United  
13          States. The stockholders of the 12 Federal Reserve  
14          Banks include national and certain State-chartered  
15          commercial banks, which operate on a fractional re-  
16          serve basis.

17          (4) Originally, Congress gave the Federal Re-  
18          serve System a monetary mandate to provide an  
19          elastic currency, within the context of a gold stand-  
20          ard, in response to seasonal fluctuations in the de-  
21          mand for currency.

22          (5) Congress also gave the Federal Reserve  
23          System a financial stability mandate to serve as the  
24          lender of last resort to solvent but illiquid banks  
25          during a financial crisis.

1           (6) In 1977, Congress changed the monetary  
2           mandate of the Federal Reserve System to a dual  
3           mandate for maximum employment and stable  
4           prices.

5           (7) Empirical studies and historical evidence,  
6           both within the United States and in other coun-  
7           tries, demonstrate that price stability is desirable be-  
8           cause both inflation and deflation damage the econ-  
9           omy.

10          (8) The economic challenge of recent years—  
11          most notably the bursting of the housing bubble, the  
12          financial crisis of 2008, and the ensuing anemic re-  
13          covery—have occurred at great cost in terms of lost  
14          jobs and output.

15          (9) Policymakers are reexamining the structure  
16          and functioning of financial institutions and markets  
17          to determine what, if any, changes need to be made  
18          to place the financial system on a stronger, more  
19          sustainable path going forward.

20          (10) The Federal Reserve System has taken ex-  
21          traordinary actions in response to the recent eco-  
22          nomic challenges.

23          (11) The Federal Open Market Committee has  
24          engaged in multiple rounds of quantitative easing,  
25          providing unprecedented liquidity to financial mar-

1       kets, while committing to holding short-term interest  
2       rates low for a seemingly indefinite period, and pur-  
3       suing a policy of credit allocation by purchasing  
4       Federal agency debt and mortgage-backed securities.

5           (12) In the wake of the recent extraordinary ac-  
6       tions of the Federal Reserve System, Congress—con-  
7       sistent with its constitutional responsibilities and as  
8       it has done periodically throughout the history of the  
9       United States—has once again renewed its examina-  
10      tion of monetary policy.

11          (13) Central in such examination has been a re-  
12      newed look at what is the most proper mandate for  
13      the Federal Reserve System to conduct monetary  
14      policy in the 21st century.

15          (c) ESTABLISHMENT OF A CENTENNIAL MONETARY  
16      COMMISSION.—There is established a commission to be  
17      known as the “Centennial Monetary Commission” (in this  
18      section referred to as the “Commission”).

19          (d) STUDY AND REPORT ON MONETARY POLICY.—

20              (1) STUDY.—The Commission shall—

21                  (A) examine how United States monetary  
22                  policy since the creation of the Board of Gov-  
23                  ernors of the Federal Reserve System in 1913  
24                  has affected the performance of the United

1 States economy in terms of output, employ-  
2 ment, prices, and financial stability over time;

3 (B) evaluate various operational regimes  
4 under which the Board of Governors of the  
5 Federal Reserve System and the Federal Open  
6 Market Committee may conduct monetary pol-  
7 icy in terms achieving the maximum sustainable  
8 level of output and employment and price sta-  
9 bility over the long term, including—

10 (i) discretion in determining monetary  
11 policy without an operational regime;

12 (ii) price level targeting;

13 (iii) inflation rate targeting;

14 (iv) nominal gross domestic product  
15 targeting (both level and growth rate);

16 (v) the use of monetary policy rules;

17 and

18 (vi) the gold standard;

19 (C) evaluate the use of macro-prudential  
20 supervision and regulation as a tool of mone-  
21 tary policy in terms of achieving the maximum  
22 sustainable level of output and employment and  
23 price stability over the long term;

24 (D) evaluate the use of the lender-of-last-  
25 resort function of the Board of Governors of

1 the Federal Reserve System as a tool of mone-  
2 tary policy in terms of achieving the maximum  
3 sustainable level of output and employment and  
4 price stability over the long term; and

5 (E) recommend a course for United States  
6 monetary policy going forward, including—

7 (i) the legislative mandate;

8 (ii) the operational regime;

9 (iii) the securities used in open mar-  
10 ket operations; and

11 (iv) transparency issues.

12 (2) REPORT.—Not later than December 1,  
13 2016, the Commission shall submit to Congress and  
14 make publicly available a report containing a state-  
15 ment of the findings and conclusions of the Commis-  
16 sion in carrying out the study under paragraph (1),  
17 together with the recommendations the Commission  
18 considers appropriate.

19 (e) MEMBERSHIP.—

20 (1) NUMBER AND APPOINTMENT.—

21 (A) APPOINTED VOTING MEMBERS.—The  
22 Commission shall contain 12 voting members as  
23 follows:

24 (i) Six members appointed by the  
25 Speaker of the House of Representatives,

1 with four members from the majority party  
2 and two members from the minority party.

3 (ii) Six members appointed by the  
4 President Pro Tempore of the Senate, with  
5 four members from the majority party and  
6 two members from the minority party.

7 (B) CHAIRMAN.—The Speaker of the  
8 House of Representatives and the majority  
9 leader of the Senate shall jointly designate one  
10 of the members of the Commission as Chair-  
11 man.

12 (C) NON-VOTING MEMBERS.—The Com-  
13 mission shall contain 2 non-voting members as  
14 follows:

15 (i) One member appointed by the Sec-  
16 retary of the Treasury.

17 (ii) One member who is the president  
18 of a district Federal reserve bank ap-  
19 pointed by the Chair of the Board of Gov-  
20 ernors of the Federal Reserve System.

21 (2) PERIOD OF APPOINTMENT.—Each member  
22 shall be appointed for the life of the Commission.

23 (3) TIMING OF APPOINTMENT.—All members of  
24 the Commission shall be appointed not before Janu-

1       ary 5, 2015, and not later than 30 days after the  
2       date of the enactment of this section.

3           (4) VACANCIES.—A vacancy in the Commission  
4       shall not affect its powers, and shall be filled in the  
5       manner in which the original appointment was  
6       made.

7           (5) MEETINGS.—

8           (A) INITIAL MEETING.—The Commission  
9       shall hold its initial meeting and begin the oper-  
10      ations of the Commission as soon as is prac-  
11      ticable.

12          (B) FURTHER MEETINGS.—The Commis-  
13      sion shall meet upon the call of the Chair or a  
14      majority of its members.

15          (6) QUORUM.—Seven voting members of the  
16      Commission shall constitute a quorum but a lesser  
17      number may hold hearings.

18          (7) MEMBER OF CONGRESS DEFINED.—In this  
19      subsection, the term “Member of Congress” means  
20      a Senator or a Representative in, or Delegate or  
21      Resident Commissioner to, the Congress.

22          (f) POWERS.—

23           (1) HEARINGS AND SESSIONS.—The Commis-  
24      sion or, on the authority of the Commission, any  
25      subcommittee or member thereof, may, for the pur-

1       pose of carrying out this section, hold hearings, sit  
2       and act at times and places, take testimony, receive  
3       evidence, or administer oaths as the Commission or  
4       such subcommittee or member thereof considers ap-  
5       propriate.

6               (2) CONTRACT AUTHORITY.—To the extent or  
7       in the amounts provided in advance in appropriation  
8       Acts, the Commission may contract with and com-  
9       pensate government and private agencies or persons  
10      to enable the Commission to discharge its duties  
11      under this section, without regard to section 3709 of  
12      the Revised Statutes (41 U.S.C. 5).

13              (3) OBTAINING OFFICIAL DATA.—

14              (A) IN GENERAL.—The Commission is au-  
15      thorized to secure directly from any executive  
16      department, bureau, agency, board, commission,  
17      office, independent establishment, or instrumen-  
18      tality of the Government, any information, in-  
19      cluding suggestions, estimates, or statistics, for  
20      the purposes of this section.

21              (B) REQUESTING OFFICIAL DATA.—The  
22      head of such department, bureau, agency,  
23      board, commission, office, independent estab-  
24      lishment, or instrumentality of the government



1 shall, to the extent authorized by law, furnish  
2 such information upon request made by—

3 (i) the Chair;

4 (ii) the Chair of any subcommittee  
5 created by a majority of the Commission;

6 or

7 (iii) any member of the Commission  
8 designated by a majority of the commission  
9 to request such information.

10 (4) ASSISTANCE FROM FEDERAL AGENCIES.—

11 (A) GENERAL SERVICES ADMINISTRA-  
12 TION.—The Administrator of General Services  
13 shall provide to the Commission on a reimburs-  
14 able basis administrative support and other  
15 services for the performance of the functions of  
16 the Commission.

17 (B) OTHER DEPARTMENTS AND AGEN-  
18 CIES.—In addition to the assistance prescribed  
19 in subparagraph (A), at the request of the  
20 Commission, departments and agencies of the  
21 United States shall provide such services, funds,  
22 facilities, staff, and other support services as  
23 may be authorized by law.

24 (5) POSTAL SERVICE.—The Commission may  
25 use the United States mails in the same manner and

1 under the same conditions as other departments and  
2 agencies of the United States.

3 (g) COMMISSION PERSONNEL.—

4 (1) APPOINTMENT AND COMPENSATION OF  
5 STAFF.—

6 (A) IN GENERAL.—Subject to rules pre-  
7 scribed by the Commission, the Chair may ap-  
8 point and fix the pay of the executive director  
9 and other personnel as the Chair considers ap-  
10 propriate.

11 (B) APPLICABILITY OF CIVIL SERVICE  
12 LAWS.—The staff of the Commission may be  
13 appointed without regard to the provisions of  
14 title 5, United States Code, governing appoint-  
15 ments in the competitive service, and may be  
16 paid without regard to the provisions of chapter  
17 51 and subchapter III of chapter 53 of that  
18 title relating to classification and General  
19 Schedule pay rates, except that an individual so  
20 appointed may not receive pay in excess of level  
21 V of the Executive Schedule.

22 (2) CONSULTANTS.—The Commission may pro-  
23 cure temporary and intermittent services under sec-  
24 tion 3109(b) of title 5, United States Code, but at  
25 rates for individuals not to exceed the daily equiva-

1       lent of the rate of pay for a person occupying a posi-  
2       tion at level IV of the Executive Schedule.

3           (3) STAFF OF FEDERAL AGENCIES.—Upon re-  
4       quest of the Commission, the head of any Federal  
5       department or agency may detail, on a reimbursable  
6       basis, any of the personnel of such department or  
7       agency to the Commission to assist it in carrying out  
8       its duties under this section.

9       (h) TERMINATION OF COMMISSION.—

10           (1) IN GENERAL.—The Commission shall termi-  
11       nate on June 1, 2017.

12           (2) ADMINISTRATIVE ACTIVITIES BEFORE TER-  
13       MINATION.—The Commission may use the period be-  
14       tween the submission of its report and its termi-  
15       nation for the purpose of concluding its activities,  
16       including providing testimony to the committee of  
17       Congress concerning its report.

18       (i) AUTHORIZATION OF APPROPRIATIONS.—There  
19       are authorized to be appropriated such sums as may be  
20       necessary to carry out this section and such sums shall  
21       remain available until the date on which the Commission  
22       terminates.

