

[DISCUSSION DRAFT]

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To provide direct stimulus payments for families during the COVID–19 pandemic, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Ms. WATERS introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To provide direct stimulus payments for families during the COVID–19 pandemic, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Faster Stimulus Pay-  
5 ments and FedAccounts Act”.

6 **SEC. 2. DIRECT STIMULUS PAYMENTS FOR FAMILIES.**

7 (a) DEFINITIONS.—In this section:

8 (1) FEDACCOUNT.—The term “FedAccount”  
9 means a pass-through no fee central bank account

1 supported by a Federal reserve bank for any person  
2 eligible for a emergency payment under subsection  
3 (b) maintained at a bank, thrift, credit union, or any  
4 Federal reserve bank.

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

8 (3) QUALIFIED INDIVIDUAL DEFINED.—The  
9 term “qualified individual” means—

10 (A) an eligible individual, as such term is  
11 defined under section 6428(d) of the Internal  
12 Revenue Code of 1986; and

13 (B) any individual not described under  
14 subparagraph (A) who has been assigned a so-  
15 cial security number or an Individual Taxpayer  
16 Identification Number (ITIN).

17 (b) EMERGENCY STIMULUS CHECK IMPLEMENTA-  
18 TION.—

19 (1) PAYMENTS.—The Secretary of the Treas-  
20 ury, acting through the Commissioner of the Inter-  
21 nal Revenue Service, shall make monthly emergency  
22 payments to qualified individuals beginning on the  
23 first day of the first month beginning after the date  
24 of the enactment of this Act and ending on the later  
25 of—

1 (A) the date of the termination by the  
2 Federal Emergency Management Agency of the  
3 emergency declared on March 13, 2020, by the  
4 President under section 501(b) of the Robert T.  
5 Stafford Disaster Relief and Emergency Assist-  
6 ance Act with respect to the COVID–19 pan-  
7 demic; and

8 (B) the date on which—

9 (i) the national unemployment rate  
10 (as determined by the Bureau of Labor  
11 Statistics) is within 2 percentage points of  
12 the national unemployment rate on Feb-  
13 ruary 1, 2020; and

14 (ii) the 3-month average of the na-  
15 tional unemployment rate has declined for  
16 two consecutive months.

17 (2) AMOUNT OF PAYMENTS.—

18 (A) IN GENERAL.—With respect to a quali-  
19 fied individual, the amount of each monthly  
20 payment under paragraph (1) shall be as fol-  
21 lows:

22 (i) For a qualified individual age 18  
23 or older, \$2,000.

24 (ii) For a qualified individual under  
25 age 18, \$1,000.

1 (B) INCOME LIMITATION.—The amount of  
2 a payment under subparagraph (A) shall be re-  
3 duced (but not below zero) by 5 percent of so  
4 much of the individual's adjusted gross income  
5 as exceeds \$75,000, \$150,000 in the case of a  
6 joint return, and \$112,500 in the case of a  
7 head of household.

8 (3) METHOD OF DELIVERY.—

9 (A) IN GENERAL.—The Secretary of the  
10 Treasury, acting through the Commissioner of  
11 the Internal Revenue Service, shall make the  
12 payments required under paragraph (1)—

13 (i) first, by direct deposit (including  
14 FedAccounts), if the Commissioner has  
15 sufficient information to make direct de-  
16 posit payments to the applicable individual;  
17 and

18 (ii) otherwise, by check or prepaid  
19 debit card issued by a person with suffi-  
20 cient information to issue such card.

21 (B) OUTREACH.—The Secretary of the  
22 Treasury, acting through the Commissioner of  
23 the Internal Revenue Service, shall establish a  
24 system for a qualified individual to provide the  
25 Internal Revenue Service with the individual's

1 direct deposit information and shall perform  
2 outreach to inform the public of such system.

3 (4) ACCESSING PAYMENTS.—If a payment is  
4 deposited (by any method) into an account of a  
5 qualified individual at an insured depository institu-  
6 tion (as defined in section 3 of the Federal Deposit  
7 Insurance Act) or insured credit union (as defined in  
8 section 101 of the Federal Credit Union Act), such  
9 funds shall be available for withdrawal on the same  
10 day, to the fullest extent possible.

11 (5) FUNDING.—The Secretary of the Treasury  
12 shall, before each monthly payment required under  
13 subsection (a), notify the Board of Governors of the  
14 Federal Reserve System of the aggregate amount of  
15 such payment, and the Board of Governors shall  
16 issue notes in such amount and transfer such notes  
17 to the Secretary of the Treasury for use in making  
18 such payments.

19 (c) MANDATE FOR MEMBER BANKS TO MAINTAIN  
20 FEDACCOUNTS.—

21 (1) OBLIGATIONS OF MEMBER BANKS.—

22 (A) IN GENERAL.—Member banks are  
23 hereby directed to establish and maintain  
24 FedAccounts for all persons eligible to receive  
25 payments from the United States pursuant to

1           this section who elect to deposit such payments  
2           into a FedAccount.

3           (B) SEPARATE ENTITY.—

4           (i) IN GENERAL.—Each member bank  
5           shall establish and maintain a separate  
6           legal entity for the exclusive purpose of  
7           holding all assets and maintaining all li-  
8           abilities associated with FedAccounts.

9           (ii) ASSETS.—The assets of any entity  
10          described in this paragraph shall consist  
11          exclusively of a balance maintained in a  
12          master account at a Federal reserve bank,  
13          and the liabilities or obligations of the enti-  
14          ty shall consist exclusively of an equal  
15          quantity of balances maintained by holders  
16          of FedAccounts.

17          (iii) SEPARATE ASSETS AND LIABIL-  
18          ITIES.—The assets and liabilities of any  
19          legal entity described in this paragraph  
20          shall not be deemed assets or liabilities of  
21          the member bank or its affiliates for pur-  
22          poses of any capital or liquidity regulation  
23          promulgated by Federal or State banking  
24          authorities.

1 (C) APPLICATION.—Member banks with  
2 total consolidated assets in excess of  
3 \$10,000,000,000 shall promptly offer individ-  
4 uals the ability to apply, through online or tele-  
5 phonic means, for a FedAccount.

6 (2) TERMS.—Member banks shall ensure that a  
7 FedAccount established under this section—

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

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

12 (i) the rate of interest on required re-  
13 serves; and

14 (ii) the rate of interest on excess re-  
15 serves;

16 (C) shall provide functionality and service  
17 levels not less favorable than those that the  
18 member bank offers for its existing transaction  
19 accounts (including with respect to access to  
20 debit cards and automated teller machines, on-  
21 line account access, automatic bill-pay and mo-  
22 bile banking services, customer service, and  
23 such other services as the Board determines),  
24 except that FedAccounts shall not include over-  
25 draft coverage;

1 (D) shall be prominently branded in all ac-  
2 count statements, marketing materials, and  
3 other communications of the member bank as a  
4 “pass-through FedAccount” maintained by the  
5 member bank on behalf of the Board of Gov-  
6 ernors of the Federal Reserve System;

7 (E) may not be closed or restricted by the  
8 member bank on the basis of profitability con-  
9 siderations; and

10 (F) shall provide holders with reasonable  
11 protection against losses caused by fraud or se-  
12 curity breaches.

13 (3) REIMBURSEMENT FOR COSTS.—

14 (A) IN GENERAL.—Each member bank  
15 with total consolidated assets not greater than  
16 \$10,000,000,000 shall be reimbursed each cal-  
17 endar quarter by the relevant Federal reserve  
18 bank for actual and reasonable operational  
19 costs incurred by the member bank in offering  
20 FedAccounts.

21 (B) RULEMAKING.—The Board of Gov-  
22 ernors of the Federal Reserve System shall  
23 issue rules to carry out subparagraph (A).

24 (4) AUTHORITY OF THE BOARD.—Member  
25 banks shall be subject to such rules as may be im-

1       posed by the Board of Governors of the Federal Re-  
2       serve System in connection with maintaining  
3       FedAccounts.

4       (d) AUTHORITY FOR STATE NONMEMBER BANKS,  
5       THRIFTS, AND CREDIT UNIONS TO OFFER  
6       FEDACCOUNTS.—The Federal reserve banks shall permit  
7       State banks, Federal thrifts, State thrifts, and credit  
8       unions that are not member banks to open master ac-  
9       counts for the exclusive purpose of offering FedAccounts  
10      in compliance with the requirements of subsection (c).  
11      Each State bank, Federal thrift, State thrift, or credit  
12      union electing to offer FedAccounts shall be entitled to  
13      cost reimbursement in accordance with subsection (c)(3).

14      (e) MANDATE FOR FEDERAL RESERVE BANKS TO  
15      MAINTAIN FEDACCOUNTS.—

16           (1) AUTHORIZATION.—Subject to such restric-  
17      tions, limitations, and regulations as may be im-  
18      posed by the Board of Governors of the Federal Re-  
19      serve System, each Federal reserve bank shall main-  
20      tain FedAccounts.

21           (2) MANDATE.—

22           (A) IN GENERAL.—Not later than January  
23      1, 2021, all Federal reserve banks shall make  
24      FedAccounts available to all persons eligible to

1 receive payments from the United States pursu-  
2 ant to this section.

3 (B) EXCEPTION.—In geographic areas  
4 where physical access to a branch of a Federal  
5 reserve bank is limited, Federal reserve banks  
6 serving such areas shall partner with United  
7 States Postal Service branch offices to ensure  
8 access and availability to application and ac-  
9 count services for FedAccounts.

10 (3) TERMS OF FEDACCOUNTS.—Federal reserve  
11 banks shall ensure that FedAccounts established  
12 under this section—

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

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

17 (i) the rate of interest on required re-  
18 serves; and

19 (ii) the rate of interest on excess re-  
20 serves;

21 (C) shall provide access to debit cards, on-  
22 line account access, automatic bill-pay and mo-  
23 bile banking services, customer service, and  
24 such other services as the Board determines,

1           except that FedAccounts shall not include over-  
2           draft coverage.

3           (D) shall provide, in conjunction with the  
4           United States Postal Service, access to auto-  
5           mated teller machines to be maintained on be-  
6           half of the Board by the United States Postal  
7           Service at branch offices;

8           (E) shall be prominently branded in all ac-  
9           count statements, marketing materials, and  
10          other communications of the Federal reserve  
11          bank as a “FedAccount” maintained by the  
12          member bank on behalf of the United States of  
13          America;

14          (F) may not be closed or restricted on the  
15          basis of profitability considerations; and

16          (G) shall provide holders with reasonable  
17          protection against losses caused by fraud or se-  
18          curity breaches.

19          (4) BANK SECRECY ACT.—In establishing and  
20          maintaining FedAccounts, each Federal reserve  
21          bank shall comply with section 21 of the Federal  
22          Deposit Insurance Act (12 U.S.C. 1829b), section  
23          123 of Public Law 91–508, subchapter II of chapter  
24          53 of title 31, United States Code.

1           (5) PENALTIES.—The Board of Governors of  
2           the Federal Reserve System shall, by rule, establish  
3           penalties applicable to Federal reserve banks and  
4           employees of such banks for violations of privacy ob-  
5           ligations relating to FedAccounts that are similar to  
6           the penalties imposed by the Commissioner of the  
7           Internal Revenue Service with respect to violations  
8           of privacy obligations relating to Federal tax re-  
9           turns.

10          (f) REGULATIONS.—The Board of Governors of the  
11         Federal Reserve System shall promulgate regulations to  
12         carry out this section.