

119TH CONGRESS
1ST SESSION

H. R. 146

To amend the Federal Reserve Act to prohibit Federal reserve banks from paying interest on excess reserves.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Mr. DAVIDSON introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Reserve Act to prohibit Federal reserve banks from paying interest on excess reserves.

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 “Prohibition on IOER
5 Act of 2025”.

6 **SEC. 2. PROHIBITION ON PAYMENT OF EARNINGS ON SUR-**
7 **PLUS RESERVES.**

8 Section 19(b)(12) of the Federal Reserve Act (12
9 U.S.C. 461(b)(12)) is amended—

1 (1) in the heading, by inserting “REQUIRED RE-
2 SERVE” before “BALANCES”;

3 (2) in subparagraph (A), by inserting after
4 “Balances” the following: “of reserves required to be
5 maintained by a depository institution under para-
6 graph (2) that are”;

7 (3) by redesignating subparagraph (C) as sub-
8 paragraph (D); and

9 (4) by inserting after subparagraph (B) the fol-
10 lowing:

11 “(C) PROHIBITION ON OTHER EARN-
12 INGS.—A Federal reserve bank may not pay
13 earnings on balances maintained at a Federal
14 reserve bank by or on behalf of a depository in-
15 stitution except as provided under this para-
16 graph.”.

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