

119TH CONGRESS  
2D SESSION

# **H. R. 3390**

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## **AN ACT**

To amend the Federal Reserve Act to require the Board of Governors of the Federal Reserve System to carry out a review of discount window operations and to implement improvements to such operations, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Bringing the Discount  
3 Window into the 21st Century Act”.

4 **SEC. 2. REVIEW OF DISCOUNT WINDOW OPERATIONS.**

5 Section 10 of the Federal Reserve Act (12 U.S.C. 241  
6 et seq.) is amended—

7 (1) by redesignating paragraph (12) as para-  
8 graph (11); and

9 (2) by adding at the end the following:

10 “(12) REVIEW OF DISCOUNT WINDOW OPER-  
11 ATIONS.—

12 “(A) IN GENERAL.—Not later than 60  
13 days after the date of enactment of this para-  
14 graph, the Board of Governors shall commence  
15 a review of the discount window lending pro-  
16 grams of the Federal reserve banks (the ‘dis-  
17 count window’), and shall complete such review  
18 not later than 240 days after the date of enact-  
19 ment of this paragraph.

20 “(B) CONTENTS.—The review required by  
21 subparagraph (A) shall include a consideration  
22 of—

23 “(i) the effectiveness of the discount  
24 window in providing liquidity to financial  
25 institutions, including in times of financial  
26 stress;

1                     “(ii) whether the technology infra-  
2                     structure, including means of communica-  
3                     tions, are sufficient to support the timely  
4                     provision of liquidity, including in times of  
5                     financial stress;

6                     “(iii) the effectiveness of cybersecurity  
7                     measures implemented with respect to dis-  
8                     count window operations;

9                     “(iv) the effectiveness of communica-  
10                    tions between Federal reserve banks, fi-  
11                    nancial institutions, the Board of Gov-  
12                    ernors, the Federal Deposit Insurance Cor-  
13                    poration, the Comptroller of the Currency,  
14                    and the Secretary of the Treasury regard-  
15                    ing discount window operations;

16                    “(v) the effectiveness of the Board of  
17                    Governors in providing oversight of the  
18                    discount window and in ensuring con-  
19                    sistent access to the discount window  
20                    across the Federal Reserve System;

21                    “(vi) how the discount window inter-  
22                    acts with other providers of liquidity, in-  
23                    cluding the Federal Home Loan Banks,  
24                    during both normal operations and times  
25                    of financial distress;

1                     “(vii) the effectiveness of existing dis-  
2                     count window operating hours and whether  
3                     such hours should be expanded, taking into  
4                     account the interaction between discount  
5                     window operating hours and the operating  
6                     hours of payment systems of the Federal  
7                     reserve banks, such as the Fedwire Funds  
8                     Service and FedNow Service;

9                     “(viii) the impact of mobile banking  
10                    and instant communications technology on  
11                    depositor behavior and liquidity risk posed  
12                    to financial institutions, including how the  
13                    discount window can—

14                    “(I) help financial institutions  
15                    better respond to rapid liquidity short-  
16                    falls; and

17                    “(II) prevent broader financial  
18                    instability; and

19                    “(ix) the effectiveness of the discount  
20                    window in light of the stigma associated  
21                    with its usage, ways to reduce such stigma,  
22                    and ways to improve access, operational ef-  
23                    ficiency, transparency, and timeliness of  
24                    the process for financial institutions seek-

15 “(I) an identification of actions  
16 that will be taken to enhance discount  
17 window effectiveness and remediate  
18 identified deficiencies;

24 “(III) measures of managing and  
25 controlling any deficiencies and cur-

3                   “(D) REPORT TO CONGRESS ON REVIEW  
4                   AND PLAN.—

1                             “(II) provide the Comptroller of  
2                             the Currency, the Federal Deposit In-  
3                             surance Corporation, and the Sec-  
4                             retary of the Treasury with an oppor-  
5                             tunity to provide feedback on the re-  
6                             port.

7                             “(iii) TESTIMONY.—The Chairman of  
8                             the Board of Governors shall, at the semi-  
9                             annual hearing required under section 2B,  
10                            testify with respect to the contents of the  
11                            report required under this subparagraph.

12                             “(E) ANNUAL REPORTS TO CONGRESS.—

13                             “(i) REPORTS BY THE BOARD.—The  
14                             Board of Governors shall submit an annual  
15                             report to the Committee on Financial Serv-  
16                             ices of the House of Representatives and  
17                             the Committee on Banking, Housing, and  
18                             Urban Affairs of the Senate containing a  
19                             review of the effectiveness of discount win-  
20                             dow operations and a progress report on  
21                             the actions taken to implement the identi-  
22                             fied enhancements described in subpara-  
23                             graph (C).

24                             “(ii) REPORTS BY THE INSPECTOR  
25                             GENERAL.—The Inspector General of the

1 Board of Governors of the Federal Reserve  
2 System and the Bureau of Consumer Fi-  
3 nancial Protection shall submit an annual  
4 report to the Committee on Financial Serv-  
5 ices of the House of Representatives and  
6 the Committee on Banking, Housing, and  
7 Urban Affairs of the Senate containing a  
8 report on the progress of the Board of  
9 Governors in implementing the remediation  
10 plan required by subparagraph (C).

11                   “(F) CONFIDENTIAL REPORT INFORMATION  
12                   TION.—Any report required under this para-  
13                   graph may contain a confidential annex con-  
14                   taining information that, if made public,  
15                   could—

20                   “(G) REPEAL.—This paragraph shall be  
21                   repealed on the date on which the Board of  
22                   Governors notifies the Congress and publishes  
23                   on a public website of the Board of Governors

1           that the remediation plan required under sub-  
2           paragraph (C) has been fully implemented.”.

Passed the House of Representatives February 9,  
2026.

Attest:

*Clerk.*

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