

# BRINGING THE DISCOUNT WINDOW INTO THE 21ST CENTURY ACT

SEPTEMBER 4, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

## R E P O R T

[To accompany H.R. 3390]

The Committee on Financial Services, to whom was referred the bill (H.R. 3390) 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, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:  
Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

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

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

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

- (1) by redesignating paragraph (12) as paragraph (11); and
- (2) by adding at the end the following:

“(12) REVIEW OF DISCOUNT WINDOW OPERATIONS.—

“(A) IN GENERAL.—Not later than 60 days after the date of enactment of this paragraph, the Board of Governors shall commence a review of the discount window lending programs of the Federal reserve banks (the ‘discount window’), and shall complete such review not later than 240 days after the date of enactment of this paragraph.

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

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

“(ii) whether the technology infrastructure, including means of communications, are sufficient to support the timely provision of liquidity, including in times of financial stress;

“(iii) the effectiveness of cybersecurity measures implemented with respect to discount window operations;

“(iv) the effectiveness of communications between Federal reserve banks, financial institutions, the Board of Governors, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Secretary of the Treasury regarding discount window operations;

“(v) the effectiveness of the Board of Governors in providing oversight of the discount window and in ensuring consistent access to the discount window across the Federal Reserve System;

“(vi) how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial distress;

“(vii) the effectiveness of existing discount window operating hours and whether such hours should be expanded, taking into account the interaction between discount window operating hours and the operating hours of payment systems of the Federal reserve banks, such as the Fedwire Funds Service and FedNow Service;

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

“(I) help financial institutions better respond to rapid liquidity shortfalls; and

“(II) prevent broader financial instability; and

“(ix) the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce such stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process for financial institutions seeking advances, including on the pricing and other terms of such advances.

“(C) REMEDIATION PLAN.—After the Board of Governors completes the review required by subparagraph (A), the Board of Governors, in consultation with the Federal reserve banks, shall—

“(i) identify deficiencies with the discount window and areas for enhancing discount window effectiveness; and

“(ii) develop a written plan to remediate the identified deficiencies and implement the identified enhancements, which shall include—

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

“(II) timelines and milestones for implementing the plan and measures to demonstrate how the implemented improvements will be maintained on an ongoing basis; and

“(III) measures of managing and controlling any deficiencies and current operations until the plan is implemented in full.

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

“(i) IN GENERAL.—Not later than 365 days after the date of enactment of this paragraph, the Board of Governors shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

- “(I) the findings of the review required by subparagraph (A); and
- “(II) the remediation plan required by subparagraph (C).
- “(ii) CONSULTATION.—Before submitting the report required by clause (i), the Board of Governors shall—
  - “(I) provide a copy of the proposed report to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury; and
  - “(II) provide the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury with an opportunity to provide feedback on the report.
- “(iii) TESTIMONY.—The Chairman of the Board of Governors shall, at the semi-annual hearing required under section 2B, testify with respect to the contents of the report required under this subparagraph.
- “(E) ANNUAL REPORTS TO CONGRESS.—
  - “(i) REPORTS BY THE BOARD.—The Board of Governors shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a review of the effectiveness of discount window operations and a progress report on the actions taken to implement the identified enhancements described in subparagraph (C).
  - “(ii) REPORTS BY THE INSPECTOR GENERAL.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a report on the progress of the Board of Governors in implementing the remediation plan required by subparagraph (C).
- “(F) CONFIDENTIAL REPORT INFORMATION.—Any report required under this paragraph may contain a confidential annex containing information that, if made public, could—
  - “(i) impact monetary policy, financial stability, or cybersecurity; or
  - “(ii) significantly endanger the financial stability of any financial institution.
- “(G) REPEAL.—This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of Governors that the remediation plan required under subparagraph (C) has been fully implemented.”.

#### PURPOSE AND SUMMARY

H.R. 3390, the *Bringing the Discount Window into the 21st Century Act*, was introduced on May 14, 2025 by Republican Representative Monica De La Cruz (TX–15). H.R. 3390 directs the Federal Reserve Board to review its discount window program, identify deficiencies, develop a remediation plan, and submit a report to Congress outlining findings and proposed improvements.

#### BACKGROUND AND NEED FOR LEGISLATION

The Federal Reserve’s discount window is a core element of its role as lender of last resort, providing liquidity to solvent depository institutions during periods of stress. Access is conditioned on the posting of high-quality collateral and paying a penalty rate. In extraordinary circumstances, the Fed may also lend to nonbank financial institutions under Section 13(3) of the *Federal Reserve Act*. However, persistent stigma and outdated infrastructure have made institutions reluctant to use the window, impairing the discount window’s function as a source of emergency liquidity during financial stress.

Operational shortcomings have also limited the window’s usefulness. Until 2024, online access was minimal, and its closing time of 7 p.m. Eastern Time, excludes institutions still operating on the West Coast. This was a contributing factor to the collapse of Silicon

Valley Bank in 2023. Even Federal Reserve Chair, Jerome Powell, acknowledged that the process was inefficient.<sup>1</sup> H.R. 3390 reflects a commitment to strengthening the discount window’s functionality and ensuring it is a timely, modern tool for preventing liquidity crises and safeguarding financial stability.

#### COMMITTEE CONSIDERATION

##### 119TH CONGRESS

On May 14, 2025, Representative De La Cruz introduced H.R. 3390, the *Bringing the Discount Window into the 21st Century Act*, with Representatives Daniel Meuser (R-PA) and Frank D. Lucas (R-OK) as original cosponsors. The bill was referred solely to the Committee on Financial Services.

The bill was attached to the May 14, 2025 hearing titled “Enhancing Competition: Shaping the Future of Bank Mergers and De Novo Formation”.

On July 23, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 3390. The Committee ordered H.R. 3390, as amended, to be favorably reported to the House of Representatives.

##### 118TH CONGRESS

On May 8, 2024, Representative Andy Barr (R-KY) introduced H.R. 8288, the *Bringing the Discount Window into the 21st Century Act*. The bill was referred solely to the Committee on Financial Services. A draft version of the bill was attached to the May 15, 2024 hearing of the Committee on Financial Services titled, “Oversight of Prudential Regulators.” The text of H.R. 8288 was included as Title V in H.R. 8337, the *Bank Resilience and Regulatory Improvement Act*, which was ordered to be reported by the Committee on May 16, 2024 by a vote of 24 yeas and 22 nays. H. Rept. 118–788 accompanying the bill was filed on December 3, 2024. There was no further action on the bill in the 118th Congress.

#### RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 3390:

The Subcommittee on Financial Institutions held a May 14, 2025 hearing titled, “Enhancing Competition: Shaping the Future of Bank Mergers and De Novo Formation.” A discussion draft version of the bill was attached to the hearing. The following witnesses testified: Mr. Keith Costello, President and CEO, Locality Bank; Ms. Mary Usategui, President and CEO, BankMiami; Ms. Amanda Allexon, Partner, Simpson Thacher & Bartlett LLP; Mr. John Berlau, Senior Fellow and Director of Finance Policy, Competitive Enterprise Institute; and Mrs. ReShonda Young, Founder, Jabez Inc.

<sup>1</sup>Kyle Campbell, *Powell: Banks are working to avoid ‘clunky’ discount window experience*, AMERICAN BANKER (July 26, 2023), <https://www.americanbanker.com/news/powell-banks-working-to-avoid-clunky-discount-window-experience>.

## COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include record votes on the motion to report legislation and amendments thereto.

On July 23, 2025, the Committee ordered H.R. 3390, as amended, to be reported favorably to the House by a recorded vote of 48 yeas and 1 nay. (Record Vote No. FC-190).

The Committee considered the following amendments to H.R. 3390:

- Representative De La Cruz offered an amendment in the nature of a substitute, designated as DeLaCruz\_037, which made minor edits and technical changes. This amendment was agreed to by a voice vote.
- Representative Bill Foster (D-IL) offered an amendment (No. 12), designated as Foster\_044. This amendment would require the Federal Reserve to review the effectiveness of communications between the Federal Reserve Banks, financial institutions, the Board of Governors, the FDIC, OCC, and the Department of Treasury. This amendment would require a review of different financial institutions' access to the discount window to ensure consistency, how mobile banking and instant communications technology impact depositor behavior and liquidity risk posed by financial institutions, and whether changes can be made to the discount window to better address the rapid liquidity demands that could be faced by banks in the future. This amendment was agreed to by a voice vote.
- Representative Maxine Waters (D-CA) offered an amendment (No. 13), designated as Waters\_077. This amendment would require the Federal Reserve to review the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process. This amendment was agreed to by a voice vote.

## Committee on Financial Services

## Markup 7

Bill: H.R. 3390

July 23, 2025

Measure: H.R. 3390, as amended

Amdt/Designated:

Record Vote No.

Motion: to report favorably

FC-190

Disposition:

AGREED TO (48-1)
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Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters	X		
Mr. Lucas	X			Ms. Velázquez	X		
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)	X		
Mr. Emmer			X	Mr. Cleaver	X		
Mr. Loudermilk	X			Mr. Himes			X
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty	X		
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons			X	Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley	X		
Mrs. Kim	X			Ms. Tlaib	X		
Mr. Donalds	X			Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)		X	
Mr. Fitzgerald	X			Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen	X		
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles	X			Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)			X				
26 0 4				22 1 1			

Committee Totals:

48	1	5
Yeas	Nays	Not Voting

#### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives are incorporated in the descriptive portions of this report.

#### PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 3390 is to direct the Federal Reserve to review and submit a remediation plan to enhance the functionality of the discount window for preventing liquidity crises and safeguarding financial stability.

#### COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3390. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

#### NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee will adopt as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office. However, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

#### UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

#### EARMARK STATEMENT

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

## FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

## APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

## DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Short title*

Section 1 provides the short title is the “Bringing the Discount Window into the 21st Century Act”.

*Section 2. Review of discount window operations*

Section 2 directs the Board of Governors of the Federal Reserve System, no later than 60 days after the date of enactment of this Act, to conduct a review of the discount window lending programs of the Federal Reserve banks. The review shall include a consideration of the discount window’s effectiveness in providing liquidity to financial institutions in times of financial stress; whether the technology infrastructure are sufficient to support the timely provision of liquidity; the effectiveness of cybersecurity measures, communications between Federal reserve banks, the Board of Governors in providing oversight of the discount window, existing discount window operating hours and whether such hours should be expanded, and how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks.

This section directs the Board of Governors, upon completion of the review, to develop and approve a written plan to remediate any identified deficiencies or areas for enhancing the effectiveness of the discount window.

This section requires the Board of Governors, no later than 365 days after the date of enactment of this Act, to submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing findings of the review and the remediation plan.

This section requires the Chairman of the Board of Governors to testify before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with respect to the contents of the re-



port, and requires the Board of Governors submit an annual report to the respective committees of jurisdiction.

This section allows the Board of Governors to include a confidential annex for certain types of information.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

### FEDERAL RESERVE ACT

\* \* \* \* \*

#### BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SEC. 10. The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall be composed of seven members, to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the Banking Act of 1935, for terms of fourteen years except as hereinafter provided, but each appointive member of the Federal Reserve Board in office on such date shall continue to serve as a member of the Board until February 1, 1936, and the Secretary of the Treasury and the Comptroller of the Currency shall continue to serve as members of the Board until February 1, 1936. In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. In selecting members of the Board, the President shall appoint at least 1 member with demonstrated primary experience working in or supervising community banks having less than \$10,000,000,000 in total assets. The members of the Board shall devote their entire time to the business of the Board and shall each receive an annual salary of \$15,000, payable monthly, together with actual necessary traveling expenses.

The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President. Of the persons thus appointed, 1 shall be designated by the President, by and with the

advice and consent of the Senate, to serve as Chairman of the Board for a term of 4 years, and 2 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairmen of the Board, each for a term of 4 years, 1 of whom shall serve in the absence of the Chairman, as provided in the fourth undesignated paragraph of this section, and 1 of whom shall be designated Vice Chairman for Supervision. The Vice Chairman for Supervision shall develop policy recommendations for the Board regarding supervision and regulation of depository institution holding companies and other financial firms supervised by the Board, and shall oversee the supervision and regulation of such firms. The chairman of the Board, subject to its supervision, shall be its active executive officer. Each member of the Board shall within fifteen days after notice of appointment make and subscribe to the oath of office. Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Any person appointed as a member of the Board after the date of enactment of the Banking Act of 1935 shall not be eligible for reappointment as such member after he shall have served a full term of fourteen years.

The Board of Governors of the Federal Reserve System shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year, and such assessments may include amounts sufficient to provide for the acquisition by the Board in its own name of such site or building in the District of Columbia as in its judgment alone shall be necessary for the purpose of providing suitable and adequate quarters for the performance of its functions. After September 1, 2000, the Board may also use such assessments to acquire, in its own name, a site or building (in addition to the facilities existing on such date) to provide for the performance of the functions of the Board. After approving such plans, estimates, and specifications as it shall have caused to be prepared, the Board may, notwithstanding any other provision of law, cause to be constructed on any site so acquired by it a building or buildings suitable and adequate in its judgment for its purposes and proceed to take all such steps as it may deem necessary or appropriate in connection with the construction, equipment, and furnishing of such building or buildings. The Board may maintain, enlarge, or remodel any building or buildings so acquired or constructed and shall have sole control of such building or buildings and space therein.

The principal offices of the Board shall be in the District of Columbia. At meetings of the Board the chairman shall preside, and, in his absence, the vice chairman shall preside. In the absence of the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore. The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal Reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, whose employment, com-

pensation, leave, and expenses shall be governed solely by the provisions of this Act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith; and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys. No member of the Board of Governors of the Federal Reserve System shall be an officer or director of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the Board of Governors of the Federal Reserve System he shall certify under oath that he has complied with this requirement, and such certification shall be filed with the secretary of the Board. Whenever a vacancy shall occur, other than by expiration of term, among the six members of the Board of Governors of the Federal Reserve System appointed by the President as above provided, a successor shall be appointed by the President, by and with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of his predecessor.

The President shall have power to fill all vacancies that may happen on the Board of Governors of the Federal Reserve System during the recess of the Senate by granting commissions which shall expire with the next session of the Senate.

Nothing in this Act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and wherever any power vested by this Act in the Board of Governors of the Federal Reserve System or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

The Board of Governors of the Federal Reserve System shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. The report required under this paragraph shall include the reports required under section 707 of the Equal Credit Opportunity Act, section 18(f)(7) of the Federal Trade Commission Act, section 114 of the Truth in Lending Act, and the tenth undesignated paragraph of this section.

\* \* \* \* \*

No Federal Reserve bank may authorize the acquisition or construction of any branch building, or enter into any contract or other obligation for the acquisition or construction of any branch building, without the approval of the Board.

The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies de-

terminated by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph.

**[(12)] (11) APPEARANCES BEFORE CONGRESS.**—The Vice Chairman for Supervision shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives and at semi-annual hearings regarding the efforts, activities, objectives, and plans of the Board with respect to the conduct of supervision and regulation of depository institution holding companies and other financial firms supervised by the Board.

**(12) REVIEW OF DISCOUNT WINDOW OPERATIONS.**—

**(A) IN GENERAL.**—*Not later than 60 days after the date of enactment of this paragraph, the Board of Governors shall commence a review of the discount window lending programs of the Federal reserve banks (the “discount window”), and shall complete such review not later than 240 days after the date of enactment of this paragraph.*

**(B) CONTENTS.**—*The review required by subparagraph*

**(A) shall include a consideration of—**

*(i) the effectiveness of the discount window in providing liquidity to financial institutions, including in times of financial stress;*

*(ii) whether the technology infrastructure, including means of communications, are sufficient to support the timely provision of liquidity, including in times of financial stress;*

*(iii) the effectiveness of cybersecurity measures implemented with respect to discount window operations;*

*(iv) the effectiveness of communications between Federal reserve banks, financial institutions, the Board of Governors, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Secretary of the Treasury regarding discount window operations;*

*(v) the effectiveness of the Board of Governors in providing oversight of the discount window and in ensuring consistent access to the discount window across the Federal Reserve System;*

*(vi) how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial distress;*

*(vii) the effectiveness of existing discount window operating hours and whether such hours should be expanded, taking into account the interaction between discount window operating hours and the operating hours of payment systems of the Federal reserve banks, such as the Fedwire Funds Service and FedNow Service;*

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

*(I) help financial institutions better respond to rapid liquidity shortfalls; and*

(II) prevent broader financial instability; and  
 (ix) the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce such stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process for financial institutions seeking advances, including on the pricing and other terms of such advances.

(C) **REMEDATION PLAN.**—After the Board of Governors completes the review required by subparagraph (A), the Board of Governors, in consultation with the Federal reserve banks, shall—

(i) identify deficiencies with the discount window and areas for enhancing discount window effectiveness; and

(ii) develop a written plan to remediate the identified deficiencies and implement the identified enhancements, which shall include—

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

(II) timelines and milestones for implementing the plan and measures to demonstrate how the implemented improvements will be maintained on an ongoing basis; and

(III) measures of managing and controlling any deficiencies and current operations until the plan is implemented in full.

(D) **REPORT TO CONGRESS ON REVIEW AND PLAN.**—

(i) **IN GENERAL.**—Not later than 365 days after the date of enactment of this paragraph, the Board of Governors shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(I) the findings of the review required by subparagraph (A); and

(II) the remediation plan required by subparagraph (C).

(ii) **CONSULTATION.**—Before submitting the report required by clause (i), the Board of Governors shall—

(I) provide a copy of the proposed report to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury; and

(II) provide the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury with an opportunity to provide feedback on the report.

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

(E) **ANNUAL REPORTS TO CONGRESS.**—

(i) **REPORTS BY THE BOARD.**—The Board of Governors shall submit an annual report to the Committee on Fi-

*nancial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a review of the effectiveness of discount window operations and a progress report on the actions taken to implement the identified enhancements described in subparagraph (C).*

*(ii) REPORTS BY THE INSPECTOR GENERAL.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a report on the progress of the Board of Governors in implementing the remediation plan required by subparagraph (C).*

*(F) CONFIDENTIAL REPORT INFORMATION.—Any report required under this paragraph may contain a confidential annex containing information that, if made public, could—*

*(i) impact monetary policy, financial stability, or cybersecurity; or*

*(ii) significantly endanger the financial stability of any financial institution.*

*(G) REPEAL.—This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of Governors that the remediation plan required under subparagraph (C) has been fully implemented.*

[Section 2(2) of H.R. 3390 (as reported) provides for an amendment to section 10 of the Federal Reserve Act by inserting after paragraph (11) as redesignated a new paragraph (12). Subparagraph (G) of paragraph (12) provides “This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of Governors that the remediation plan required under subparagraph (C) has been fully implemented.” On such date, paragraph (12) of section 10 (represented below in roman typeface) is repealed as follows:]

\* \* \* \* \*

**[(12) REVIEW OF DISCOUNT WINDOW OPERATIONS.—**

**[(A) IN GENERAL.—**Not later than 60 days after the date of enactment of this paragraph, the Board of Governors shall commence a review of the discount window lending programs of the Federal reserve banks (the “discount window”), and shall complete such review not later than 240 days after the date of enactment of this paragraph.

**[(B) CONTENTS.—**The review required by subparagraph (A) shall include a consideration of—

**[(i)** the effectiveness of the discount window in providing liquidity to financial institutions, including in times of financial stress;

**[(ii)** whether the technology infrastructure, including means of communications, are sufficient to support the timely provision of liquidity, including in times of financial stress;

**[(iii)** the effectiveness of cybersecurity measures implemented with respect to discount window operations;

[(iv) the effectiveness of communications between Federal reserve banks, financial institutions, the Board of Governors, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Secretary of the Treasury regarding discount window operations;

[(v) the effectiveness of the Board of Governors in providing oversight of the discount window and in ensuring consistent access to the discount window across the Federal Reserve System;

[(vi) how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial distress;

[(vii) the effectiveness of existing discount window operating hours and whether such hours should be expanded, taking into account the interaction between discount window operating hours and the operating hours of payment systems of the Federal reserve banks, such as the Fedwire Funds Service and FedNow Service;

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

[(I) help financial institutions better respond to rapid liquidity shortfalls; and

[(II) prevent broader financial instability; and

[(ix) the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce such stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process for financial institutions seeking advances, including on the pricing and other terms of such advances.

[(C) REMEDIATION PLAN.—After the Board of Governors completes the review required by subparagraph (A), the Board of Governors, in consultation with the Federal reserve banks, shall—

[(i) identify deficiencies with the discount window and areas for enhancing discount window effectiveness; and

[(ii) develop a written plan to remediate the identified deficiencies and implement the identified enhancements, which shall include—

[(I) an identification of actions that will be taken to enhance discount window effectiveness and remediate identified deficiencies;

[(II) timelines and milestones for implementing the plan and measures to demonstrate how the implemented improvements will be maintained on an ongoing basis; and

[(III) measures of managing and controlling any deficiencies and current operations until the plan is implemented in full.

**[(D) REPORT TO CONGRESS ON REVIEW AND PLAN.—**

**[(i) IN GENERAL.—**Not later than 365 days after the date of enactment of this paragraph, the Board of Governors shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

**[(I) the findings of the review required by subparagraph (A); and**

**[(II) the remediation plan required by subparagraph (C).**

**[(ii) CONSULTATION.—**Before submitting the report required by clause (i), the Board of Governors shall—

**[(I) provide a copy of the proposed report to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury; and**

**[(II) provide the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury with an opportunity to provide feedback on the report.**

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

**[(E) ANNUAL REPORTS TO CONGRESS.—**

**[(i) REPORTS BY THE BOARD.—**The Board of Governors shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a review of the effectiveness of discount window operations and a progress report on the actions taken to implement the identified enhancements described in subparagraph (C).

**[(ii) REPORTS BY THE INSPECTOR GENERAL.—**The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a report on the progress of the Board of Governors in implementing the remediation plan required by subparagraph (C).

**[(F) CONFIDENTIAL REPORT INFORMATION.—**Any report required under this paragraph may contain a confidential annex containing information that, if made public, could—

**[(i) impact monetary policy, financial stability, or cybersecurity; or**

**[(ii) significantly endanger the financial stability of any financial institution.**

**[(G) REPEAL.—**This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of



Governors that the remediation plan required under subparagraph (C) has been fully implemented. **■**

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