

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5018
OFFERED BY MR. HUIZENGA OF MICHIGAN**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Federal Reserve Ac-
3 countability and Transparency Act of 2014”.

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

6 (a) IN GENERAL.—The Federal Reserve Act (12
7 U.S.C. 221 et seq.) is amended by inserting after section
8 2B the following new section:

**9 “SEC. 2C. DIRECTIVE POLICY RULES OF THE FEDERAL
10 OPEN MARKET COMMITTEE.**

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

13 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
14 TEES.—The term ‘appropriate congressional com-
15 mittees’ means the Committee on Financial Services
16 of the House of Representatives and the Committee
17 on Banking, Housing, and Urban Affairs of the Sen-
18 ate.

1 “(2) DIRECTIVE POLICY RULE.—The term ‘Di-
2 rective Policy Rule’ means a policy rule developed by
3 the Federal Open Market Committee that meets the
4 requirements of subsection (c) and that provides the
5 basis for the Open Market Operations Directive.

6 “(3) GDP.—The term ‘GDP’ means the gross
7 domestic product of the United States as computed
8 and published by the Department of Commerce.

9 “(4) INTERMEDIATE POLICY INPUT.—The term
10 ‘Intermediate Policy Input’—

11 “(A) may include any variable determined
12 by the Federal Open Market Committee as a
13 necessary input to guide open-market oper-
14 ations;

15 “(B) shall include an estimate of, and the
16 method of calculation for, the current rate of
17 inflation or current inflation expectations; and

18 “(C) shall include, specifying whether the
19 variable or estimate is historical, current, or a
20 forecast and the method of calculation, at least
21 one of—

22 “(i) an estimate of real GDP, nominal
23 GDP, or potential GDP;

24 “(ii) an estimate of the monetary ag-
25 gregate compiled by the Board of Gov-

1 ernors of the Federal Reserve System and
2 Federal reserve banks; or

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

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

9 “(6) OPEN MARKET OPERATIONS DIRECTIVE.—
10 The term ‘Open Market Operations Directive’ means
11 an order to achieve a specified Policy Instrument
12 Target provided to the Federal Reserve Bank of
13 New York by the Federal Open Market Committee
14 pursuant to powers authorized under section 14 of
15 this Act that guide open-market operations.

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

18 “(A) the nominal Federal funds rate;

19 “(B) the nominal rate of interest paid on
20 nonborrowed reserves; or

21 “(C) the discount window primary credit
22 interest rate most recently published on the
23 Federal Reserve Statistical Release on selected
24 interest rates (daily or weekly), commonly re-
25 ferred to as the H.15 release.

1 “(8) POLICY INSTRUMENT TARGET.—The term
2 ‘Policy Instrument Target’ means the target for the
3 Policy Instrument specified in the Open Market Op-
4 erations Directive.

5 “(9) REFERENCE POLICY RULE.—The term
6 ‘Reference Policy Rule’ means a calculation of the
7 nominal Federal funds rate as equal to the sum of
8 the following:

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

11 “(B) One-half of the percentage deviation
12 of the real GDP from an estimate of potential
13 GDP.

14 “(C) One-half of the difference between the
15 rate of inflation over the previous four quarters
16 and two.

17 “(D) Two.

18 “(b) SUBMITTING A DIRECTIVE POLICY RULE.—Not
19 later than 48 hours after the end of a meeting of the Fed-
20 eral Open Market Committee, the Chairman of the Fed-
21 eral Open Market Committee shall submit to the appro-
22 priate congressional committees and the Comptroller Gen-
23 eral of the United States a Directive Policy Rule and a
24 statement that identifies the members of the Federal Open
25 Market Committee who voted in favor of the Rule.

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

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

5 “(2) describe the strategy or rule of the Federal
6 Open Market Committee for the systematic quan-
7 titative adjustment of the Policy Instrument Target
8 to respond to a change in the Intermediate Policy
9 Inputs;

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

13 “(4) include the coefficients of the Directive
14 Policy Rule that generate the current Policy Instru-
15 ment Target and a range of predicted future values
16 for the Policy Instrument Target if changes occur in
17 any Intermediate Policy Input;

18 “(5) describe the procedure for adjusting the
19 supply of bank reserves to achieve the Policy Instru-
20 ment Target;

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

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

1 “(B) a detailed justification for that depar-
2 ture; and

3 “(C) a description of the circumstances
4 under which the Directive Policy Rule may be
5 amended in the future;

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

10 “(8) include a calculation that describes with
11 mathematical precision the expected annual inflation
12 rate over a 5-year period.

13 “(d) GAO REPORT.—The Comptroller General of the
14 United States shall compare the Directive Policy Rule sub-
15 mitted under subsection (b) with the rule that was most
16 recently submitted to determine whether the Directive Pol-
17 icy Rule has materially changed. If the Directive Policy
18 Rule has materially changed, the Comptroller General
19 shall, not later than 7 days after each meeting of the Fed-
20 eral Open Market Committee, prepare and submit a com-
21 pliance report to the appropriate congressional committees
22 specifying whether the Rule submitted after that meeting
23 and the Federal Open Market Committee are in compli-
24 ance with this section.

25 “(e) CHANGING MARKET CONDITIONS.—

1 “(1) RULE OF CONSTRUCTION.—Nothing in
2 this Act shall be construed to require that the plans
3 with respect to the systematic quantitative adjust-
4 ment of the Policy Instrument Target described
5 under subsection (c)(2) be implemented if the Fed-
6 eral Open Market Committee determines that such
7 plans cannot or should not be achieved due to
8 changing market conditions.

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

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

1 “(1) IN GENERAL.—If the Comptroller General
2 of the United States determines that the Directive
3 Policy Rule and the Federal Open Market Com-
4 mittee are not in compliance with this section in the
5 report submitted pursuant to subsection (d), or that
6 the updated version of the Directive Policy Rule and
7 the Federal Open Market Committee are not in com-
8 pliance with this section in the report submitted pur-
9 suant to subsection (e)(2), the Chairman of the
10 Board of Governors of the Federal Reserve System
11 shall, not later than 7 legislative days after the date
12 of submission of such a report, testify before the ap-
13 propriate congressional committees as to why the
14 Directive Policy Rule, the updated version, or the
15 Federal Open Market Committee is not in compli-
16 ance.

17 “(2) GAO AUDIT.—Notwithstanding subsection
18 (b) of section 714 of title 31, United States Code,
19 upon submitting a report of noncompliance pursuant
20 to subsection (d) or subsection (e)(2) and after the
21 period of 7 legislative days described in paragraph
22 (1), the Comptroller General shall audit the conduct
23 of monetary policy by the Board of Governors of the
24 Federal Reserve System and the Federal Open Mar-
25 ket Committee upon request of the appropriate con-

1 gressional committee. Such committee may specify
2 the parameters of such audit.

3 “(g) CONGRESSIONAL HEARINGS.—The Chairman of
4 the Board of Governors of the Federal Reserve System
5 shall, if requested by either of the appropriate congres-
6 sional committees and not later than 7 legislative days
7 after such request, appear before such committee to ex-
8 plain any change to the Directive Policy Rule.”.

9 (b) CONFORMING AMENDMENT.—The second sen-
10 tence of subsection (b) of section 714 of title 31, United
11 States Code, is amended by striking “Audits” and insert-
12 ing “Except as provided in section 2C(f) of the Federal
13 Reserve Act, audits”.

14 **SEC. 3. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**
15 **PERIOD.**

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

19 “(d) BLACKOUT PERIOD.—

20 “(1) IN GENERAL.—During a blackout period,
21 the only public communications that may be made
22 by members and staff of the Committee with respect
23 to macroeconomic or financial developments or about
24 current or prospective monetary policy issues are the
25 following:

1 “(A) The dissemination of published data,
2 surveys, and reports that have been cleared for
3 publication by the Board of Governors of the
4 Federal Reserve System.

5 “(B) Answers to technical questions spe-
6 cific to a data release.

7 “(C) Communications with respect to the
8 prudential or supervisory functions of the
9 Board of Governors.

10 “(2) BLACKOUT PERIOD DEFINED.—For pur-
11 poses of this subsection, and with respect to a meet-
12 ing of the Committee described under subsection (a),
13 the term ‘blackout period’ means the time period
14 that—

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

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

20 “(3) EXEMPTION FOR CHAIRMAN OF THE
21 BOARD OF GOVERNORS.—Nothing in this section
22 shall prohibit the Chairman of the Board of Gov-
23 ernors of the Federal Reserve System from partici-
24 pating in or issuing public communications.”.

1 **SEC. 4. REQUIREMENTS FOR STRESS TESTS AND SUPER-**
2 **VISORY LETTERS FOR THE BOARD OF GOV-**
3 **ERNORS OF THE FEDERAL RESERVE SYSTEM.**

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

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

9 “(i) shall—

10 “(I) issue regulations, after pro-
11 viding for public notice and comment,
12 that provide for at least 3 different
13 sets of conditions under which the
14 evaluation required by this subsection
15 shall be conducted, including baseline,
16 adverse, and severely adverse, and
17 methodologies, including models used
18 to estimate losses on certain assets;
19 and

20 “(II) provide copies of such regu-
21 lations to the Comptroller General of
22 the United States and the Panel of
23 Economic Advisors of the Congres-
24 sional Budget Office before publishing
25 such regulations;” and

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

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

7 “(C) APPLICATION TO CCAR.—The require-
8 ments of subparagraph (B) shall apply to all
9 stress tests performed under the Comprehensive
10 Capital Analysis and Review exercise estab-
11 lished by the Board of Governors.”.

12 (c) PUBLICATION OF THE NUMBER OF SUPERVISORY
13 LETTERS SENT TO THE LARGEST BANK HOLDING COM-
14 PANIES.—Section 165 of the Dodd-Frank Wall Street Re-
15 form and Consumer Protection Act (12 U.S.C. 5365) is
16 further amended by adding at the end the following new
17 subsection:

18 “(l) PUBLICATION OF SUPERVISORY LETTER INFOR-
19 MATION.—The Board of Governors shall publicly dis-
20 close—

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

1 “(2) the aggregate number of such letters that
2 are designated as ‘Matters Requiring Attention’ and
3 the aggregate number of such letters that are des-
4 ignated as ‘Matters Requiring Immediate Atten-
5 tion’.”.

6 **SEC. 5. FREQUENCY OF TESTIMONY OF THE CHAIRMAN OF**
7 **THE BOARD OF GOVERNORS OF THE FED-**
8 **ERAL RESERVE SYSTEM TO CONGRESS.**

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

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

13 (2) in subsection (a)(2)—

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

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

18 (b) CONFORMING AMENDMENT.—Paragraph (12) of
19 section 10 of the Federal Reserve Act (12 U.S.C.
20 247b(12)) is amended by striking “semi-annual” and in-
21 serting “quarterly”.

22 **SEC. 6. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**
23 **QUIREMENT.**

24 Section 10 of the Federal Reserve Act is amended—

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

3 (2) in paragraph (11), as so redesignated, by
4 adding at the end the following: “In each such ap-
5 pearance, the Vice Chairman for Supervision shall
6 provide written testimony that includes the status of
7 all pending and anticipated rulemakings that are
8 being made by the Board of Governors of the Fed-
9 eral Reserve System. If, at the time of any appear-
10 ance described in this paragraph, the position of
11 Vice Chairman for Supervision is vacant, the Vice
12 Chairman for the Board of Governors of the Federal
13 Reserve System (who has the responsibility to serve
14 in the absence of the Chairman) shall appear instead
15 and provide the required written testimony. If, at
16 the time of any appearance described in this para-
17 graph, both Vice Chairman positions are vacant, the
18 Chairman of the Board of Governors of the Federal
19 Reserve System shall appear instead and provide the
20 required written testimony.”.

21 **SEC. 7. ECONOMIC ANALYSIS OF REGULATIONS OF THE**
22 **BOARD OF GOVERNORS OF THE FEDERAL RE-**
23 **SERVE SYSTEM.**

24 (a) AMENDMENT TO FEDERAL RESERVE ACT.—Sec-
25 tion 11 of the Federal Reserve Act (12 U.S.C. 248) is

1 amended by inserting after subsection (l) the following
2 new subsection:

3 “(m) CONSIDERATION OF ECONOMIC IMPACTS.—

4 “(1) IN GENERAL.—Before issuing any regula-
5 tion, the Board of Governors of the Federal Reserve
6 System shall—

7 “(A) clearly identify the nature and source
8 of the problem that the proposed regulation is
9 designed to address and assess the significance
10 of that problem;

11 “(B) assess whether any new regulation is
12 warranted or, with respect to a proposed regu-
13 lation that the Board of Governors is required
14 to issue by statute and with respect to which
15 the Board has the authority to exempt certain
16 persons from the application of such regulation,
17 compare—

18 “(i) the costs and benefits of the pro-
19 posed regulation; and

20 “(ii) the costs and benefits of a regu-
21 lation under which the Board exempts all
22 persons from the application of the pro-
23 posed regulation, to the extent the Board
24 is able;

1 “(C) assess the qualitative and quan-
2 titative costs and benefits of the proposed regu-
3 lation and propose or adopt a regulation only
4 on a reasoned determination that the benefits
5 of the proposed regulation outweigh the costs of
6 the regulation;

7 “(D) identify and assess available alter-
8 natives to the proposed regulation that were
9 considered, including any alternative offered by
10 a member of the Board of Governors of the
11 Federal Reserve System or the Federal Open
12 Market Committee and including any modifica-
13 tion of an existing regulation, together with an
14 explanation of why the regulation meets the
15 regulatory objectives more effectively than the
16 alternatives; and

17 “(E) ensure that any proposed regulation
18 is accessible, consistent, written in plain lan-
19 guage, and easy to understand and shall meas-
20 ure, and seek to improve, the actual results of
21 regulatory requirements.

22 “(2) CONSIDERATIONS AND ACTIONS.—

23 “(A) REQUIRED ACTIONS.—In deciding
24 whether and how to regulate, the Board shall
25 assess the costs and benefits of available regu-

1 latory alternatives, including the alternative of
2 not regulating, and choose the approach that
3 maximizes net benefits. Specifically, the Board
4 shall—

5 “(i) evaluate whether, consistent with
6 achieving regulatory objectives, the regula-
7 tion is tailored to impose the least impact
8 on the availability of credit and economic
9 growth and to impose the least burden on
10 society, including market participants, in-
11 dividuals, businesses of different sizes, and
12 other entities (including State and local
13 governmental entities), taking into ac-
14 count, to the extent practicable, the cumu-
15 lative costs of regulations;

16 “(ii) evaluate whether the regulation
17 is inconsistent, incompatible, or duplicative
18 of other Federal regulations; and

19 “(iii) with respect to a proposed regu-
20 lation that the Board is required to issue
21 by statute and with respect to which the
22 Board has the authority to exempt certain
23 persons from the application of such regu-
24 lation, compare—

1 “(I) the costs and benefits of the
2 proposed regulation; and

3 “(II) the costs and benefits of a
4 regulation under which the Board ex-
5 empts all persons from the application
6 of the proposed regulation, to the ex-
7 tent the Board is able.

8 “(B) ADDITIONAL CONSIDERATIONS.—In
9 addition, in making a reasoned determination of
10 the costs and benefits of a proposed regulation,
11 the Board shall, to the extent that each is rel-
12 evant to the particular proposed regulation,
13 take into consideration the impact of the regu-
14 lation, including secondary costs such as an in-
15 crease in the cost or a reduction in the avail-
16 ability of credit or investment services or prod-
17 ucts, on—

18 “(i) the safety and soundness of the
19 United States banking system;

20 “(ii) market liquidity in securities
21 markets;

22 “(iii) small businesses;

23 “(iv) community banks;

24 “(v) economic growth;

25 “(vi) cost and access to capital;

- 1 “(vii) market stability;
- 2 “(viii) global competitiveness;
- 3 “(ix) job creation;
- 4 “(x) the effectiveness of the monetary
- 5 policy transmission mechanism; and
- 6 “(xi) employment levels.

7 “(3) EXPLANATION AND COMMENTS.—The

8 Board shall explain in its final rule the nature of

9 comments that it received and shall provide a re-

10 sponse to those comments in its final rule, including

11 an explanation of any changes that were made in re-

12 sponse to those comments and the reasons that the

13 Board did not incorporate concerns related to the

14 potential costs or benefits in the final rule.

15 “(4) POSTADOPTION IMPACT ASSESSMENT.—

16 “(A) IN GENERAL.—Whenever the Board

17 adopts or amends a regulation designated as a

18 ‘major rule’ within the meaning of section

19 804(2) of title 5, United States Code, it shall

20 state, in its adopting release, the following:

21 “(i) The purposes and intended con-

22 sequences of the regulation.

23 “(ii) The assessment plan that will be

24 used, consistent with the requirements of

25 subparagraph (B), to assess whether the

1 regulation has achieved the stated pur-
2 poses.

3 “(iii) Appropriate postimplementation
4 quantitative and qualitative metrics to
5 measure the economic impact of the regu-
6 lation and the extent to which the regula-
7 tion has accomplished the stated purpose
8 of the regulation.

9 “(iv) Any reasonably foreseeable indi-
10 rect effects that may result from the regu-
11 lation.

12 “(B) REQUIREMENTS OF ASSESSMENT
13 PLAN AND REPORT.—

14 “(i) REQUIREMENTS OF PLAN.—The
15 assessment plan required under this para-
16 graph shall consider the costs, benefits,
17 and intended and unintended consequences
18 of the regulation. The plan shall specify
19 the data to be collected, the methods for
20 collection and analysis of the data, and a
21 date for completion of the assessment. The
22 assessment plan shall include an analysis
23 of any jobs added or lost as a result of the
24 regulation, differentiating between public
25 and private sector jobs.

1 “(ii) SUBMISSION AND PUBLICATION
2 OF REPORT.—The Board shall, not later
3 than 2 years after the publication of the
4 adopting release, publish the assessment
5 plan in the Federal Register for notice and
6 comment. If the Board determines, at least
7 90 days before the deadline for publication
8 of the assessment plan, that an extension
9 is necessary, the Board shall publish a no-
10 tice of such extension and the specific rea-
11 sons why the extension is necessary in the
12 Federal Register. Any material modifica-
13 tion of the assessment plan, as necessary
14 to assess unforeseen aspects or con-
15 sequences of the regulation, shall be
16 promptly published in the Federal Register
17 for notice and comment.

18 “(iii) DATA COLLECTION NOT SUB-
19 JECT TO NOTICE AND COMMENT REQUIRE-
20 MENTS.—If the Board has published the
21 assessment plan for notice and comment at
22 least 30 days before the adoption of a reg-
23 ulation designated as a major rule, the col-
24 lection of data under the assessment plan
25 shall not be subject to the notice and com-

1 ment requirements in section 3506(c) of
2 title 44, United States Code (commonly re-
3 ferred to as the Paperwork Reduction Act).
4 Any material modification of the plan that
5 requires collection of data not previously
6 published for notice and comment shall
7 also be exempt from such requirements if
8 the Board has published notice in the Fed-
9 eral Register for comment on the addi-
10 tional data to be collected, at least 30 days
11 before the initiation of data collection.

12 “(iv) FINAL ACTION.—Not later than
13 180 days after publication of the assess-
14 ment plan in the Federal Register, the
15 Board shall issue for notice and comment
16 a proposal to amend or rescind the regula-
17 tion, or shall publish a notice that the
18 Board has determined that no action will
19 be taken on the regulation. Such a notice
20 will be deemed a final agency action.

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

24 “(A) means a statement of general applica-
25 bility and future effect that is designed to im-

1 plement, interpret, or prescribe law or policy, or
2 to describe the procedure or practice require-
3 ments of the Board of Governors, including
4 rules, orders of general applicability, interpre-
5 tive releases, and other statements of general
6 applicability that the Board of Governors in-
7 tends to have the force and effect of law; and

8 “(B) does not include—

9 “(i) a regulation issued in accordance
10 with the formal rulemaking provisions of
11 section 556 or 557 of title 5, United States
12 Code;

13 “(ii) a regulation that is limited to the
14 organization, management, or personnel
15 matters of the Board of Governors;

16 “(iii) a regulation promulgated pursu-
17 ant to statutory authority that expressly
18 prohibits compliance with this provision; or

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

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

1 **SEC. 8. SALARIES, FINANCIAL DISCLOSURES, AND OFFICE**
2 **STAFF OF THE BOARD OF GOVERNORS OF**
3 **THE FEDERAL RESERVE SYSTEM.**

4 (a) IN GENERAL.—Section 11 of the Federal Reserve
5 Act (12 U.S.C. 248) is further amended—

6 (1) by redesignating the second subsection (s)
7 (relating to assessments, fees, and other charges for
8 certain companies) as subsection (t); and

9 (2) by adding at the end the following new sub-
10 sections:

11 “(u) **ETHICS STANDARDS FOR MEMBERS AND EM-**
12 **PLOYEES.**—

13 “(1) **PROHIBITED AND RESTRICTED FINANCIAL**
14 **INTERESTS AND TRANSACTIONS.**—The members and
15 employees of the Board of Governors of the Federal
16 Reserve System shall be subject to the provisions
17 under section 4401.102 of title 5, Code of Federal
18 Regulations, to the same extent as such provisions
19 apply to an employee of the Securities and Exchange
20 Commission.

21 “(2) **TREATMENT OF BROKERAGE ACCOUNTS**
22 **AND AVAILABILITY OF ACCOUNT STATEMENTS.**—The
23 members and employees of the Board of Governors
24 of the Federal Reserve System shall—

25 “(A) disclose all brokerage accounts that
26 they maintain, as well as those in which they

1 control trading or have a financial interest (in-
2 cluding managed accounts, trust accounts, in-
3 vestment club accounts, and the accounts of
4 spouses or minor children who live with the
5 member or employee); and

6 “(B) with respect to any securities account
7 that the member or employee is required to dis-
8 close to the Board of Governors, authorize their
9 brokers and dealers to send duplicate account
10 statements directly to Board of Governors.

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

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

23 “(A) the employee responsibilities and con-
24 duct regulations of the Office of Personnel

1 Management under part 735 of title 5, Code of
2 Federal Regulations;

3 “(B) the canons of ethics contained in sub-
4 part C of part 200 of title 17, Code of Federal
5 Regulations, to the same extent as such subpart
6 applies to the employees of the Securities and
7 Exchange Commission; and

8 “(C) the regulations concerning the con-
9 duct of members and employees and former
10 members and employees contained in subpart M
11 of part 200 of title 17, Code of Federal Regula-
12 tions, to the same extent as such subpart ap-
13 plies to the employees of the Securities and Ex-
14 change Commission.

15 “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-
16 CIAL INFORMATION.—The Board of Governors of the Fed-
17 eral Reserve System shall make publicly available, on the
18 website of the Board of Governors, a searchable database
19 that contains the names of all members, officers, and em-
20 ployees of the Board of Governors and each Federal re-
21 serve bank who receive an annual salary in excess of the
22 annual rate of basic pay for GS–15 of the General Sched-
23 ule, and—

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

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

6 (b) OFFICE STAFF FOR EACH MEMBER OF THE
7 BOARD OF GOVERNORS.—Subsection (l) of section 11 of
8 the Federal Reserve Act (12 U.S.C. 248) is amended by
9 adding at the end the following: “Each member of the
10 Board of Governors of the Federal Reserve System may
11 employ, at a minimum, 2 individuals, with such individuals
12 selected by such member and the salaries of such individ-
13 uals set by such member. A member may employ addi-
14 tional individuals as determined necessary by the Board
15 of Governors.”.

16 **SEC. 9. REQUIREMENTS FOR INTERNATIONAL NEGOTIA-**
17 **TIONS.**

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

22 “(w) INTERNATIONAL NEGOTIATIONS.—

23 “(1) NOTICE OF NEGOTIATIONS; CONSULTA-
24 TION.—At least 30 calendar days before any mem-
25 ber or employee of the Board of Governors of the

1 Federal Reserve System enters into negotiations
2 with any foreign or multinational entity, the Board
3 of Governors shall—

4 “(A) issue a notice of negotiations to the
5 Committee on Financial Services of the House
6 of Representatives and the Committee on Bank-
7 ing, Housing, and Urban Affairs of the Senate;

8 “(B) make such notice available to the
9 public, including on the website of the Board of
10 Governors; and

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

15 “(2) PUBLIC REPORTS ON NEGOTIATIONS.—
16 After the end of any negotiation described under
17 paragraph (1), the Board of Governors shall issue a
18 public report on the topics that were discussed at
19 the negotiation and any new or revised rulemakings
20 or policy changes that the Board of Governors be-
21 lieves should be implemented as a result of the nego-
22 tiations.

23 “(3) NOTICE OF AGREEMENTS; CONSULTA-
24 TION.—At least 90 calendar days before any mem-
25 ber or employee of the Board of Governors of the

1 Federal Reserve System enters into any agreement
2 with any foreign or multinational entity, the Board
3 of Governors shall—

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

8 “(B) make such notice available to the
9 public, including on the website of the Board of
10 Governors; and

11 “(C) consult with such committees with re-
12 spect to the nature of the agreement and any
13 anticipated effects such agreement will have on
14 the economy.

15 “(4) DEFINITION.—For purposes of this sub-
16 section, the term ‘negotiation’ shall include any offi-
17 cial proceeding or meeting on financial regulation of
18 a recognized international organization with author-
19 ity to coordinate financial regulation on a global or
20 regional level, including the Financial Stability
21 Board, the Basel Committee on Banking Supervision
22 (or a similar organization), and the International
23 Association of Insurance Supervisors (or a similar
24 organization).”.

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

4 **“SEC. 50. INTERNATIONAL NEGOTIATIONS.**

5 “(a) NOTICE OF NEGOTIATIONS; CONSULTATION.—
6 At least 30 calendar days before the Board of Directors
7 enters into negotiations with any foreign or multinational
8 entity, the Board of Directors shall—

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

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

15 “(3) solicit public comment, and consult with
16 the committees described under paragraph (1), with
17 respect to the topic matter, scope, and goals of the
18 negotiations.

19 “(b) PUBLIC REPORTS ON NEGOTIATIONS.—After
20 the end of any negotiation described under subsection (a),
21 the Board of Directors shall issue a public report on the
22 topics that were discussed at the negotiation and any new
23 or revised rulemakings or policy changes that the Board
24 of Directors believes should be implemented as a result
25 of the negotiations.

1 “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At
2 least 90 calendar days before the Board of Directors en-
3 ters into any agreement with any foreign or multinational
4 entity, the Board of Directors shall—

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

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

11 “(3) consult with such committees with respect
12 to the nature of the agreement and any anticipated
13 effects such agreement will have on the economy.

14 “(d) DEFINITION.—For purposes of this section, the
15 term ‘negotiation’ shall include any official proceeding or
16 meeting on financial regulation of a recognized inter-
17 national organization with authority to coordinate finan-
18 cial regulation on a global or regional level, including the
19 Financial Stability Board, the Basel Committee on Bank-
20 ing Supervision (or a similar organization), and the Inter-
21 national Association of Insurance Supervisors (or a similar
22 organization).”.

23 (c) TREASURY REQUIREMENTS.—Section 325 of title
24 31, United States Code, is amended by adding at the end
25 the following new subsection:

1 “(d) INTERNATIONAL NEGOTIATIONS.—

2 “(1) NOTICE OF NEGOTIATIONS; CONSULTA-
3 TION.—At least 30 calendar days before the Sec-
4 retary enters into negotiations with any foreign or
5 multinational entity, the Secretary shall—

6 “(A) issue a notice of negotiations to the
7 Committee on Financial Services of the House
8 of Representatives and the Committee on Bank-
9 ing, Housing, and Urban Affairs of the Senate;

10 “(B) make such notice available to the
11 public, including on the website of the Depart-
12 ment of the Treasury; and

13 “(C) solicit public comment, and consult
14 with the committees described under subpara-
15 graph (A), with respect to the topic matter,
16 scope, and goals of the negotiations.

17 “(2) PUBLIC REPORTS ON NEGOTIATIONS.—
18 After the end of any negotiation described under
19 paragraph (1), the Secretary shall issue a public re-
20 port on the topics that were discussed at the nego-
21 tiation and any new or revised rulemakings or policy
22 changes that the Secretary believes should be imple-
23 mented as a result of the negotiations.

24 “(3) NOTICE OF AGREEMENTS; CONSULTA-
25 TION.—At least 90 calendar days before the Sec-

1 retary enters into any agreement with any foreign or
2 multinational entity, the Secretary shall—

3 “(A) issue a notice of agreement to the
4 Committee on Financial Services of the House
5 of Representatives and the Committee on Bank-
6 ing, Housing, and Urban Affairs 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) consult with such committees with re-
11 spect to the nature of the agreement and any
12 anticipated effects such agreement will have on
13 the economy.

14 “(4) DEFINITION.—For purposes of this sub-
15 section, the term ‘negotiation’ shall include any offi-
16 cial proceeding or meeting on financial regulation of
17 a recognized international organization with author-
18 ity to coordinate financial regulation on a global or
19 regional level, including the Financial Stability
20 Board, the Basel Committee on Banking Supervision
21 (or a similar organization), and the International
22 Association of Insurance Supervisors (or a similar
23 organization).”.

1 **SEC. 10. INTEREST RATES ON BALANCES MAINTAINED AT A**
2 **FEDERAL RESERVE BANK BY DEPOSITORY**
3 **INSTITUTIONS ESTABLISHED BY FEDERAL**
4 **OPEN MARKET COMMITTEE.**

5 Subparagraph (A) of section 19(b)(12) of the Federal
6 Reserve Act (12 U.S.C. 505(b)(12)(A)) is amended by in-
7 serting “established by the Federal Open Market Com-
8 mittee” after “rate or rates”.

