

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6741
OFFERED BY MR. BARR OF KENTUCKY**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Federal Reserve Reform Act of 2018”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Monetary policy transparency and accountability.
- Sec. 3. Independence from credit policy.
- Sec. 4. Congressional accountability for emergency lending programs.
- Sec. 5. Interest rates on balances maintained at a Federal Reserve Bank by depository institutions established by Federal Open Market Committee.
- Sec. 6. Membership of Federal Open Market Committee.
- Sec. 7. Bringing the non-monetary policy related functions of the Board of Governors of the Federal Reserve System into the appropriations process.
- Sec. 8. Amendment to appointment of presidents of Federal Reserve Banks.
- Sec. 9. Federal Open Market Committee blackout period.
- Sec. 10. Salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System.
- Sec. 11. Vice Chairman for Supervision report requirement.

6 SEC. 2. MONETARY POLICY TRANSPARENCY AND ACCOUNT-
7 ABILITY.

8 Section 12A of the Federal Reserve Act (12 U.S.C.
9 263) is amended—

1 (1) by redesignating subsections (b) and (c) as
2 subsections (d) and (e), respectively; and

3 (2) by inserting after subsection (a) the fol-
4 lowing new subsections:

5 “(b) POLICY TRANSPARENCY.—

6 “(1) MONETARY POLICY STRATEGY.—

7 “(A) IN GENERAL.—The Committee shall
8 annually establish exactly 1 monetary policy
9 strategy, which shall serve as a non-technical
10 public communication of the Committee’s con-
11 sensus expectation for the conduct of monetary
12 policy during that calendar year.

13 “(B) REQUIREMENTS.—Each monetary
14 policy strategy of the Committee shall include
15 the following:

16 “(i) A plain English description of
17 how the Committee would adjust each of
18 the following monetary policy instruments
19 in reaction to changes in a small and well-
20 defined set of publicly available economic
21 indicators:

22 “(I) Short-term interest rate tar-
23 gets established by the Committee.

24 “(II) Open-market operations au-
25 thorized under section 14.

1 “(III) Earnings on balances
2 maintained at a Federal reserve bank
3 by or on behalf of a depository institu-
4 tion under section 19(b)(12).

5 “(ii) An identification of 1 monetary
6 policy instrument from the list in clause (i)
7 that the Committee expects to use as the
8 primary instrument for implementing the
9 monetary policy strategy described under
10 subparagraph (A).

11 “(2) REFERENCE MONETARY POLICY RULES.—
12 In addition to the monetary policy strategy required
13 under paragraph (1), the Committee shall annually
14 adopt at least 1 and not more than 3 reference mon-
15 etary policy rules, each of which shall mathemati-
16 cally express how the primary monetary policy in-
17 strument identified under paragraph (1)(B)(ii) re-
18 acts to changes in a small and well-defined set of
19 publicly available economic indicators.

20 “(3) DEVIATIONS.—Nothing in this subsection
21 shall be construed to prevent the Committee from
22 setting short-term interest rate targets, conducting
23 open-market operations, or paying earnings on bal-
24 ances pursuant to section 19(b)(12) in a manner
25 that deviates from a monetary policy strategy or any

1 reference monetary policy rules established under
2 this subsection.

3 “(c) TESTIMONY AND REPORTS OF THE CHAIR-
4 MAN.—The Chairman shall, concurrent with each semi-an-
5 nual hearing required under section 2B, submit a report
6 to the Committee on Banking, Housing, and Urban Af-
7 fairs of the Senate and the Committee on Banking and
8 Financial Services of the House of Representatives, con-
9 taining—

10 “(1) a statement as to whether the monetary
11 policy strategy established under subsection (b)(1)
12 qualitatively differs from any of the reference mone-
13 tary policy rules required under subsection (b)(2)
14 and, if applicable, a full and non-technical expla-
15 nation of any such difference;

16 “(2) a statement as to whether the Committee’s
17 conduct of monetary policy since the previous report
18 quantitatively differs from any reference monetary
19 policy rule and, if applicable, a full and non-tech-
20 nical explanation of any such differences; and

21 “(3) a description of—

22 “(A) the circumstances under which the
23 Committee’s monetary policy strategy may be
24 amended from year to year; and

1 “(B) a full and non-technical explanation
2 of any such actual amendment.”.

3 **SEC. 3. INDEPENDENCE FROM CREDIT POLICY.**

4 (a) RETURNING TO A MONETARY POLICY BALANCE
5 SHEET.—

6 (1) IN GENERAL.—Not later than 1 year after
7 the date of the enactment of this Act—

8 (A) the Board of Governors of the Federal
9 Reserve System shall transfer to the Depart-
10 ment of the Treasury all covered assets that are
11 neither gold stock, Treasury currency, nor di-
12 rect obligations of the United States, foreign
13 central banks, or the International Monetary
14 Fund; and

15 (B) the Secretary of the Treasury shall
16 transfer to the Federal reserve banks direct ob-
17 ligations of the United States of equivalent
18 market value to such covered assets.

19 (2) COVERED ASSETS DEFINED.—In this sub-
20 section, the term “covered assets” means all as-
21 sets—

22 (A) purchased through open-market oper-
23 ations by the Federal reserve banks; or

1 (B) acquired through transactions under
2 the following sections of the Federal Reserve
3 Act (12 U.S.C. 221 et seq.):

4 (i) Section 10A before the date of the
5 enactment of this Act.

6 (ii) Section 10B.

7 (iii) Section 13.

8 (iv) Section 13A.

9 (v) Section 24.

10 (b) OPEN MARKET ASSET PURCHASES.—Section
11 14(b) (12 U.S.C. 355) of the Federal Reserve Act (relat-
12 ing to “Purchase and sale of obligations of United States,
13 States, counties, etc.”) is amended to read as follows:

14 “(b) To buy and sell in the open market, at home
15 or abroad, under the direction and regulations of the Fed-
16 eral Open Market Committee, gold stock, Treasury cur-
17 rency, or direct obligations of the United States, foreign
18 central banks, or the International Monetary Fund. Noth-
19 ing in this subsection shall be construed to limit advances
20 under section 10B, or discount loans under sections 13,
21 13A, or 24.”.

22 (c) MAINTAINING A MONETARY POLICY BALANCE
23 SHEET.—

24 (1) ASSETS ACQUIRED UNDER EMERGENCY
25 LENDING.—Section 13(3) of the Federal Reserve

1 Act (12 U.S.C. 343(3)) is amended by adding at the
2 end the following new subparagraph:

3 “(F) Not later than 1 year after a Federal
4 reserve bank acquires any assets under this
5 paragraph that are neither gold nor direct obli-
6 gations of the United States, foreign central
7 banks, or the International Monetary Fund—

8 “(i) the Board shall transfer such as-
9 sets of the Federal reserve bank to the De-
10 partment of the Treasury; and

11 “(ii) the Secretary of the Treasury
12 shall transfer to the Federal reserve banks
13 direct obligations of the United States of
14 equivalent market value to the assets de-
15 scribed in clause (i).”.

16 (2) REPEAL OF AUTHORITY TO PROVIDE EMER-
17 GENCY ADVANCES TO GROUPS OF MEMBER BANKS.—
18 Section 10A of the Federal Reserve Act is repealed.

19 (3) ASSETS ACQUIRED THROUGH ADVANCES TO
20 MEMBER BANKS.—The second undesignated para-
21 graph of subsection (a) of section 10B of the Fed-
22 eral Reserve Act is amended—

23 (A) by inserting “not” before “secured by
24 mortgage loans”; and

1 (B) by striking “lowest discount rate” and
2 inserting “highest discount rate”.

3 **SEC. 4. CONGRESSIONAL ACCOUNTABILITY FOR EMER-**
4 **GENCY LENDING PROGRAMS.**

5 Section 13(3) of the Federal Reserve Act (12 U.S.C.
6 343(3)), as amended by section 3, is further amended—

7 (1) in subparagraph (A)—

8 (A) by inserting “that pose a threat to the
9 financial stability of the United States” after
10 “unusual and exigent circumstances”; and

11 (B) by striking “the affirmative vote of not
12 less than five members” and inserting “the
13 prior approval of the Secretary of the Treasury
14 and not less than $\frac{2}{3}$ of the members of the
15 Federal Open Market Committee”;

16 (2) in subparagraph (B)—

17 (A) in clause (i), by inserting at the end
18 the following: “Federal reserve banks may not
19 accept equity securities issued by the recipient
20 of any loan or other financial assistance under
21 this paragraph as collateral. Not later than 6
22 months after the date of the enactment of this
23 sentence, the Board shall, by rule, establish—

1 “(I) a method for determining
2 the sufficiency of the collateral re-
3 quired under this paragraph;

4 “(II) acceptable classes of collat-
5 eral;

6 “(III) the amount of any dis-
7 count on the value of the collateral
8 that the Federal reserve banks will
9 apply for purposes of calculating the
10 sufficiency of collateral under this
11 paragraph; and

12 “(IV) a method for obtaining
13 independent appraisals of the value of
14 collateral the Federal reserve banks
15 receive.”;

16 (B) in clause (ii)—

17 (i) by striking the second sentence;
18 and

19 (ii) by inserting after the first sen-
20 tence the following: “A borrower shall not
21 be eligible to borrow from any emergency
22 lending program or facility unless the
23 Board and all Federal banking regulators
24 with jurisdiction over the borrower certify
25 that, at the time the borrower initially bor-

1 rows under the program or facility, the
2 borrower is not insolvent.”; and

3 (C) by striking clause (iv);

4 (3) by inserting “financial institution” before
5 “participant” each place such term appears;

6 (4) in subparagraph (D)(i), by inserting “finan-
7 cial institution” before “participants”; and

8 (5) by adding at the end the following new sub-
9 paragraphs:

10 “(G) JOINT RESOLUTION OF APPROVAL.—

11 “(i) IN GENERAL.—A program or fa-
12 cility created under subparagraph (A) shall
13 terminate on the date that is 30 calendar
14 days after the date on which Congress re-
15 ceives a report described in subparagraph
16 (C) unless there is enacted into law a joint
17 resolution approving the program or facil-
18 ity not later than 30 calendar days after
19 the date on which the report is received.
20 Any loan offered through the program or
21 facility that is outstanding as of the date
22 on which the program or facility is termi-
23 nated shall be repaid in full not later than
24 30 calendar days after the date on which
25 the program or facility is terminated.

1 “(ii) CONTENTS OF JOINT RESOLU-
2 TION.—For the purpose of this subpara-
3 graph, the term ‘joint resolution’ means
4 only a joint resolution—

5 “(I) that is introduced not later
6 than 3 calendar days after the date on
7 which the report described in subpara-
8 graph (C) is received by Congress;

9 “(II) that does not have a pre-
10 amble;

11 “(III) the title of which is as fol-
12 lows: ‘Joint resolution relating to the
13 approval of a program or facility cre-
14 ated by the Board of Governors of the
15 Federal Reserve System’; and

16 “(IV) the matter after the resolv-
17 ing clause of which is as follows:
18 ‘That Congress approves the program
19 or facility created by the Board of
20 Governors of the Federal Reserve Sys-
21 tem on _____.’ (The
22 blank space being appropriately filled
23 in).

24 “(iii) FAST TRACK CONSIDERATION IN
25 HOUSE OF REPRESENTATIVES.—

1 “(I) RECONVENING.—Upon re-
2 ceipt of a report under subparagraph
3 (C), the Speaker, if the House would
4 otherwise be adjourned, shall notify
5 the Members of the House that, pur-
6 suant to this subparagraph, the
7 House shall convene not later than
8 the second calendar day after receipt
9 of such report.

10 “(II) REPORTING AND DIS-
11 CHARGE.—Any committee of the
12 House of Representatives to which a
13 joint resolution is referred shall report
14 it to the House not later than 5 cal-
15 endar days after the date of receipt of
16 the report described in subparagraph
17 (C). If a committee fails to report the
18 joint resolution within that period, the
19 committee shall be discharged from
20 further consideration of the joint reso-
21 lution and the joint resolution shall be
22 referred to the appropriate calendar.

23 “(III) PROCEEDING TO CONSID-
24 ERATION.—After each committee au-
25 thorized to consider a joint resolution

1 reports it to the House or has been
2 discharged from its consideration, it
3 shall be in order, not later than the
4 sixth day after Congress receives the
5 report described in subparagraph (C),
6 to move to proceed to consider the
7 joint resolution in the House. All
8 points of order against the motion are
9 waived. Such a motion shall not be in
10 order after the House has disposed of
11 a motion to proceed on the joint reso-
12 lution. The previous question shall be
13 considered as ordered on the motion
14 to its adoption without intervening
15 motion. The motion shall not be de-
16 batable. A motion to reconsider the
17 vote by which the motion is disposed
18 of shall not be in order.

19 “(IV) CONSIDERATION.—The
20 joint resolution shall be considered as
21 read. All points of order against the
22 joint resolution and against its consid-
23 eration are waived. The previous ques-
24 tion shall be considered as ordered on
25 the joint resolution to its passage

1 without intervening motion except 2
2 hours of debate equally divided and
3 controlled by the proponent and an
4 opponent. A motion to reconsider the
5 vote on passage of the joint resolution
6 shall not be in order.

7 “(iv) FAST TRACK CONSIDERATION IN
8 SENATE.—

9 “(I) RECONVENING.—Upon re-
10 ceipt of a report under subparagraph
11 (C), if the Senate has adjourned or
12 recessed for more than 2 days, the
13 majority leader of the Senate, after
14 consultation with the minority leader
15 of the Senate, shall notify the Mem-
16 bers of the Senate that, pursuant to
17 this subparagraph, the Senate shall
18 convene not later than the second cal-
19 endar day after receipt of such report.

20 “(II) PLACEMENT ON CAL-
21 ENDAR.—Upon introduction in the
22 Senate, the joint resolution shall be
23 placed immediately on the calendar.

24 “(III) FLOOR CONSIDERATION.—

1 “(aa) IN GENERAL.—Not-
2 withstanding Rule XXII of the
3 Standing Rules of the Senate, it
4 is in order at any time during the
5 period beginning on the fourth
6 day after the date on which Con-
7 gress receives a report described
8 in subparagraph (C) and ending
9 on the sixth day after the date on
10 which Congress receives the re-
11 port (even though a previous mo-
12 tion to the same effect has been
13 disagreed to) to move to proceed
14 to the consideration of the joint
15 resolution, and all points of order
16 against the joint resolution (and
17 against consideration of the joint
18 resolution) are waived. The mo-
19 tion to proceed is not debatable.
20 The motion is not subject to a
21 motion to postpone. A motion to
22 reconsider the vote by which the
23 motion is agreed to or disagreed
24 to shall not be in order. If a mo-
25 tion to proceed to the consider-

1 ation of the resolution is agreed
2 to, the joint resolution shall re-
3 main the unfinished business
4 until disposed of.

5 “(bb) DEBATE.—Debate on
6 the joint resolution, and on all
7 debatable motions and appeals in
8 connection therewith, shall be
9 limited to not more than 10
10 hours, which shall be divided
11 equally between the majority and
12 minority leaders or their des-
13 ignees. A motion further to limit
14 debate is in order and not debat-
15 able. An amendment to, or a mo-
16 tion to postpone, or a motion to
17 proceed to the consideration of
18 other business, or a motion to re-
19 commit the joint resolution is not
20 in order.

21 “(cc) VOTE ON PASSAGE.—
22 The vote on passage shall occur
23 immediately following the conclu-
24 sion of the debate on a joint reso-
25 lution, and a single quorum call

1 at the conclusion of the debate if
2 requested in accordance with the
3 rules of the Senate.

4 “(dd) RULINGS OF THE
5 CHAIR ON PROCEDURE.—Appeals
6 from the decisions of the Chair
7 relating to the application of the
8 rules of the Senate, as the case
9 may be, to the procedure relating
10 to a joint resolution shall be de-
11 cided without debate.

12 “(v) COORDINATION WITH ACTION BY
13 OTHER HOUSE.—

14 “(I) IN GENERAL.—If, before the
15 passage by one House of a joint reso-
16 lution of that House, that House re-
17 ceives from the other House a joint
18 resolution, then the following proce-
19 dures shall apply:

20 “(aa) The joint resolution of
21 the other House shall not be re-
22 ferred to a committee.

23 “(bb) With respect to a joint
24 resolution of the House receiving
25 the resolution—

1 “(AA) the procedure in
2 that House shall be the
3 same as if no joint resolu-
4 tion had been received from
5 the other House; but

6 “(BB) the vote on pas-
7 sage shall be on the joint
8 resolution of the other
9 House.

10 “(II) TREATMENT OF JOINT RES-
11 OLUTION OF OTHER HOUSE.—If one
12 House fails to introduce or consider a
13 joint resolution under this section, the
14 joint resolution of the other House
15 shall be entitled to expedited floor
16 procedures under this section.

17 “(III) CONSIDERATION AFTER
18 PASSAGE.—If, following passage of
19 the joint resolution in the Senate, the
20 Senate then receives the companion
21 measure from the House of Rep-
22 resentatives, the companion measure
23 shall not be debatable.

24 “(IV) VETOES.—If the President
25 vetoes the joint resolution, the period

1 beginning on the date the President
2 vetoes the joint resolution and ending
3 on the date the Congress receives the
4 veto message with respect to the joint
5 resolution shall be disregarded in com-
6 puting the 30-calendar day period de-
7 scribed in clause (i) and debate on a
8 veto message in the Senate under this
9 section shall be 1 hour equally divided
10 between the majority and minority
11 leaders or their designees.

12 “(V) RULES OF HOUSE OF REP-
13 RESENTATIVES AND SENATE.—This
14 subparagraph is enacted by Con-
15 gress—

16 “(aa) as an exercise of the
17 rulemaking power of the Senate
18 and House of Representatives,
19 respectively, and as such it is
20 deemed a part of the rules of
21 each House, respectively, but ap-
22 plicable only with respect to the
23 procedure to be followed in that
24 House in the case of a joint reso-
25 lution, and it supersedes other

1 rules only to the extent that it is
2 inconsistent with such rules; and

3 “(bb) with full recognition of
4 the constitutional right of either
5 House to change the rules (so far
6 as relating to the procedure of
7 that House) at any time, in the
8 same manner, and to the same
9 extent as in the case of any other
10 rule of that House.

11 “(H) PENALTY RATE.—

12 “(i) IN GENERAL.—Not later than 6
13 months after the date of enactment of this
14 subparagraph, the Board shall, with re-
15 spect to a recipient of any loan or other fi-
16 nancial assistance under this paragraph,
17 establish by rule a minimum interest rate
18 on the principal amount of any loan or
19 other financial assistance.

20 “(ii) MINIMUM INTEREST RATE DE-
21 FINED.—In this subparagraph, the term
22 ‘minimum interest rate’ shall mean the
23 sum of—

24 “(I) the average of the secondary
25 discount rate of all Federal reserve

1 banks over the most recent 90-day pe-
2 riod; and

3 “(II) the average of the dif-
4 ference between a distressed corporate
5 bond yield index (as defined by rule of
6 the Board) and a bond yield index of
7 debt issued by the United States (as
8 defined by rule of the Board) over the
9 most recent 90-day period.

10 “(I) FINANCIAL INSTITUTION PARTICIPANT
11 DEFINED.—For purposes of this paragraph, the
12 term ‘financial institution participant’—

13 “(i) means a company that is pre-
14 dominantly engaged in financial activities
15 (as defined in section 102(a) of the Finan-
16 cial Stability Act of 2010 (12 U.S.C.
17 5311(a))); and

18 “(ii) does not include an agency de-
19 scribed in subparagraph (W) of section
20 5312(a)(2) of title 31, United States Code,
21 or an entity controlled or sponsored by
22 such an agency.”.

1 **SEC. 5. 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. 461(b)(12)(A)) is amended by in-
7 serting “established by the Federal Open Market Com-
8 mittee” after “rate or rates”.

9 **SEC. 6. MEMBERSHIP OF FEDERAL OPEN MARKET COM-**
10 **MITTEE.**

11 Section 12A(a) of the Federal Reserve Act (12
12 U.S.C. 263(a)) is amended—

13 (1) in the first sentence, by striking “five rep-
14 resentatives of the Federal Reserve banks to be se-
15 lected as hereinafter provided” and inserting “one
16 representative from each of the Federal Reserve
17 banks”;

18 (2) in the second sentence, by striking “and,
19 beginning” and all that follows through “San Fran-
20 cisco”; and

21 (3) by striking the third and fourth sentences.

1 **SEC. 7. BRINGING THE NON-MONETARY POLICY RELATED**
2 **FUNCTIONS OF THE BOARD OF GOVERNORS**
3 **OF THE FEDERAL RESERVE SYSTEM INTO**
4 **THE APPROPRIATIONS PROCESS.**

5 (a) IN GENERAL.—The Federal Reserve Act is
6 amended by inserting after section 11B the following:

7 **“SEC. 11C. APPROPRIATIONS REQUIREMENT FOR NON-**
8 **MONETARY POLICY RELATED ADMINISTRA-**
9 **TIVE COSTS.**

10 “(a) APPROPRIATIONS REQUIREMENT.—

11 “(1) RECOVERY OF COSTS OF ANNUAL APPRO-
12 PRIATION.—The Board of Governors of the Federal
13 Reserve System and the Federal reserve banks shall
14 collect assessments and other fees, as provided under
15 this Act, that are designed to recover the costs to
16 the Government of the annual appropriation to the
17 Board of Governors of the Federal Reserve System
18 by Congress. The Board of Governors of the Federal
19 Reserve System and the Federal reserve banks may
20 only incur obligations or allow and pay expenses
21 with respect to non-monetary policy related adminis-
22 trative costs pursuant to an appropriations Act.

23 “(2) OFFSETTING COLLECTIONS.—Assessments
24 and other fees described under paragraph (1) for
25 any fiscal year—

1 “(A) shall be deposited and credited as off-
2 setting collections to the account providing ap-
3 propriations to the Board of Governors of the
4 Federal Reserve System; and

5 “(B) shall not be collected for any fiscal
6 year except to the extent provided in advance in
7 appropriation Acts.

8 “(3) LIMITATION.—This subsection shall only
9 apply to the non-monetary policy related administra-
10 tive costs of the Board of Governors of the Federal
11 Reserve System.

12 “(b) DEFINITIONS.—For purposes of this section:

13 “(1) MONETARY POLICY.—The term ‘monetary
14 policy’ means a strategy for producing a generally
15 acceptable exchange medium that supports the pro-
16 ductive employment of economic resources by reli-
17 ably serving as both a unit of account and store of
18 value.

19 “(2) NON-MONETARY POLICY RELATED ADMIN-
20 ISTRATIVE COSTS.—The term ‘non-monetary policy
21 related administrative costs’ means administrative
22 costs not related to the conduct of monetary policy,
23 and includes—

24 “(A) direct operating expenses for super-
25 vising and regulating entities supervised and

1 regulated by the Board of Governors of the
2 Federal Reserve System, including conducting
3 examinations, conducting stress tests, commu-
4 nicating with the entities regarding supervisory
5 matters and laws, and regulations;

6 “(B) operating expenses for activities inte-
7 gral to carrying out supervisory and regulatory
8 responsibilities, such as training staff in the su-
9 pervisory function, research and analysis func-
10 tions including library subscription services, and
11 collecting and processing regulatory reports
12 filed by supervised institutions; and

13 “(C) support, overhead, and pension ex-
14 penses related to the items described under sub-
15 paragraphs (A) and (B).”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply with respect to expenses paid and
18 fees collected on or after October 1, 2018.

19 **SEC. 8. AMENDMENT TO APPOINTMENT OF PRESIDENTS OF**
20 **FEDERAL RESERVE BANKS.**

21 The fifth subparagraph of the fourth undesignated
22 paragraph of section 4 of the Federal Reserve Act (12
23 U.S.C. 341) is amended by striking “Class B and Class
24 C directors” and inserting “board of directors”.

1 **SEC. 9. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**
2 **PERIOD.**

3 Section 12A of the Federal Reserve Act (12 U.S.C.
4 263), as amended by section 2, is further amended by add-
5 ing at the end the following new subsection:

6 “(f) BLACKOUT PERIOD.—

7 “(1) IN GENERAL.—During a blackout period,
8 the only public communications that may be made
9 by members and staff of the Committee with respect
10 to macroeconomic or financial developments or about
11 current or prospective monetary policy issues are the
12 following:

13 “(A) The dissemination of published data,
14 surveys, and reports that have been cleared for
15 publication by the Board of Governors of the
16 Federal Reserve System.

17 “(B) Answers to technical questions spe-
18 cific to a data release.

19 “(C) Communications with respect to the
20 prudential or supervisory functions of the
21 Board of Governors.

22 “(2) BLACKOUT PERIOD DEFINED.—For pur-
23 poses of this subsection, and with respect to a meet-
24 ing of the Committee described under subsection (a),
25 the term ‘blackout period’ means the time period
26 that—

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

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

6 “(3) EXEMPTION FOR CHAIRMAN OF THE
7 BOARD OF GOVERNORS.—Nothing in this section
8 shall prohibit the Chairman of the Board of Gov-
9 ernors of the Federal Reserve System from partici-
10 pating in or issuing public communications.”.

11 **SEC. 10. SALARIES, FINANCIAL DISCLOSURES, AND OFFICE**
12 **STAFF OF THE BOARD OF GOVERNORS OF**
13 **THE FEDERAL RESERVE SYSTEM.**

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

16 (1) by redesignating the second subsection (s)
17 (relating to “Assessments, Fees, and Other Charges
18 for Certain Companies”) as subsection (t); and

19 (2) by adding at the end the following new sub-
20 sections:

21 “(u) PROHIBITED AND RESTRICTED FINANCIAL IN-
22 TERESTS AND TRANSACTIONS.—The members and em-
23 ployees of the Board of Governors of the Federal Reserve
24 System shall be subject to the provisions under section
25 4401.102 of title 5, Code of Federal Regulations, to the

1 same extent as such provisions apply to an employee of
2 the Securities and Exchange Commission.

3 “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-
4 CIAL INFORMATION.—The Board of Governors of the Fed-
5 eral Reserve System shall make publicly available, on the
6 website of the Board of Governors, a searchable database
7 that contains the names of all members, officers, and em-
8 ployees of the Board of Governors who receive an annual
9 salary in excess of the annual rate of basic pay for GS-
10 15 of the General Schedule, and—

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

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

16 (b) OFFICE STAFF FOR EACH MEMBER OF THE
17 BOARD OF GOVERNORS.—Subsection (l) of section 11 of
18 the Federal Reserve Act (12 U.S.C. 248) is amended by
19 adding at the end the following: “Each member of the
20 Board of Governors of the Federal Reserve System may
21 employ, at a minimum, 2 individuals, with such individuals
22 selected by such member and the salaries of such individ-
23 uals set by such member. A member may employ addi-
24 tional individuals as determined necessary by the Board
25 of Governors.”.

1 **SEC. 11. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**
2 **QUIREMENT.**

3 Paragraph (12) of section 10 of the Federal Reserve
4 Act (12 U.S.C. 247b) is amended—

5 (1) by redesignating such paragraph as para-
6 graph (11); and

7 (2) in such paragraph—

8 (A) by striking “shall appear” and insert-
9 ing “shall provide written testimony and ap-
10 pear”; and

11 (B) by adding at the end the following:
12 “If, at the time of any appearance described in
13 this paragraph, the position of Vice Chairman
14 for Supervision is vacant, the Chairman or their
15 designee shall appear instead and provide the
16 required written testimony.”.

