118TH CONGRESS
1ST SESSION

S.

To amend the Federal Reserve Act to restrict conflicts of interest on the boards of directors of Federal reserve banks, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SANDERS introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To amend the Federal Reserve Act to restrict conflicts of interest on the boards of directors of Federal reserve banks, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Federal Reserve Independence Act”.

4 SEC. 2. ENDING CONFLICTS OF INTEREST.

5 (a) Class A Members.—The tenth undesignated paragraph of section 4 of the Federal Reserve Act (12 U.S.C. 302) (relating to Class A) is amended by striking “chosen by and be representative of the stockholding
banks” and inserting “designated by the Board of Governors of the Federal Reserve System, from among persons who are not employed in any capacity by a stockholding bank”.

(b) Class B.—The eleventh undesignated paragraph of section 4 of the Federal Reserve Act (12 U.S.C. 302) (relating to Class B) is amended by striking “be elected” and inserting “be designated by the Board of Governors of the Federal Reserve System”.

(c) Limitations on Boards of Directors.—The fourteenth and fifteenth undesignated paragraphs of section 4 of the Federal Reserve Act (12 U.S.C. 303) (relating to Class B and Class C, respectively) are amended to read as follows:

“No employee of a bank holding company or other entity regulated by the Board of Governors of the Federal Reserve System may serve on the board of directors of any Federal reserve bank.

“No employee of the Federal Reserve System or board member of a Federal reserve bank may own any stock or invest in any company that is regulated by the Board of Governors of the Federal Reserve System, without exception.”.
SEC. 3. REPORTS TO CONGRESS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Comptroller General of the United States shall submit to Congress a report regarding the adherence to the provisions of this Act and the amendments made by this Act.