

116TH CONGRESS  
2D SESSION

# S. 3571

To require member banks to maintain pass-through digital dollar wallets  
for certain persons, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 23, 2020

Mr. BROWN introduced the following bill; which was read twice and referred  
to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To require member banks to maintain pass-through digital  
dollar wallets for certain persons, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Banking for All Act”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) **DIGITAL DOLLARS.**—The term “digital dol-  
8 lars” means dollar balances consisting of digital  
9 ledger entries recorded as liabilities in the accounts  
10 of any Federal reserve bank.

1           (2) DIGITAL DOLLAR WALLETS.—The term  
 2           “digital dollar wallet” means a digital wallet or ac-  
 3           count, maintained by a Federal reserve bank on be-  
 4           half of any person, for the purpose of holding digital  
 5           dollar balances.

6           (3) MEMBER BANK.—The term “member bank”  
 7           means any national bank, State bank, or bank or  
 8           trust company which has become a member of one  
 9           of the reserve banks created by the Federal Reserve  
 10          Act (12 U.S.C. 221 et seq.).

11          (4) PASS-THROUGH DIGITAL DOLLAR WAL-  
 12          LETS.—The term “pass-through digital dollar wal-  
 13          let” means a digital wallet or account, maintained  
 14          by a member bank on behalf of any person, entitling  
 15          that person to a pro rata share of a pooled reserve  
 16          balance that the member bank maintains at any  
 17          Federal reserve bank.

18          (5) POSTAL RETAIL FACILITY.—The term  
 19          “postal retail facility”—

20                (A) means post office, post office branch,  
 21                post office classified station, or other facility  
 22                that is operated by the Postal Service, the pri-  
 23                mary function of which is to provide retail post-  
 24                al services; and

1 (B) does not include a contractor-operated  
2 facility offering postal services.

3 (6) POSTAL SERVICE.—The term “Postal Serv-  
4 ice” means the United States Postal Service.

5 **SEC. 3. AUTHORITY AND MANDATE FOR MEMBER BANKS**  
6 **TO MAINTAIN PASS-THROUGH DIGITAL DOL-**  
7 **LAR WALLETS.**

8 (a) OBLIGATIONS OF MEMBER BANKS.—

9 (1) IN GENERAL.—Member banks shall open  
10 and maintain pass-through digital dollar wallets for  
11 all persons, including persons eligible to receive pay-  
12 ments from the United States pursuant to a Federal  
13 law relating to the coronavirus disease 2019  
14 (COVID–19), who elect to deposit funds into pass-  
15 through digital dollar wallets.

16 (2) MAINTENANCE OF ASSETS.—

17 (A) IN GENERAL.—Each member bank  
18 shall establish and maintain a separate legal en-  
19 tity for the exclusive purpose of holding all as-  
20 sets and maintaining all liabilities associated  
21 with pass-through digital wallets.

22 (B) CONTENTS.—The assets of any entity  
23 described in subparagraph (A) shall consist ex-  
24 clusively of a balance maintained in a master  
25 account at a Federal reserve bank, and the li-

abilities or obligations of the entity shall consist exclusively of an equal quantity of balances maintained by holders of pass-through digital wallets.

(C) CAPITAL OR LIQUIDITY REGULATION.—The assets and liabilities of any legal entity described in subparagraph (A) shall not be deemed assets or liabilities of the member bank or its affiliates for purposes of any capital or liquidity regulation promulgated by Federal or State banking authorities.

(D) ONLINE APPLICATION REQUIREMENT FOR LARGE BANKS.—Member banks with total consolidated assets greater than \$10,000,000,000 shall promptly offer application, through online or telephonic means, for pass-through digital wallets.

(b) TERMS OF PASS-THROUGH DIGITAL DOLLAR WALLETS.—Pass-through digital dollar wallets—

(1) shall not be subject to any account fees, minimum balances, or maximum balances and shall pay interest at a rate not below the greater of the rate of interest on required reserves and the rate of interest on excess reserves;

1           (2) shall provide functionality and service levels  
2           no less favorable than those that the member bank  
3           offers for its existing transaction accounts, including  
4           with respect to debit cards, automated teller ma-  
5           chines, online account access, automatic bill-pay,  
6           mobile banking, customer service and such other  
7           services as the Board of Governors of the Federal  
8           Reserve System determines appropriate in the public  
9           interest, provided that digital dollar wallets shall not  
10          include overdraft coverage;

11          (3) shall be prominently branded in all account  
12          statements, marketing materials, and other commu-  
13          nications as “pass-through FedAccounts” main-  
14          tained by the member bank on behalf of the Federal  
15          Reserve;

16          (4) may not be closed or restricted by the bank  
17          on the basis of profitability considerations; and

18          (5) shall provide account holders with reason-  
19          able protection against losses caused by fraud or se-  
20          curity breaches.

21          (c) REIMBURSEMENT FOR COSTS.—

22          (1) IN GENERAL.—Each postal retail facility  
23          and each member bank with total consolidated assets  
24          of not greater than \$10,000,000,000 shall be reim-  
25          bursed each calendar quarter by the relevant Fed-

1       eral reserve bank for the actual and reasonable oper-  
 2       ational costs incurred by the postal retail facility or  
 3       member bank in offering pass-through digital dollar  
 4       wallets.

5           (2) REGULATIONS.—The Board of Governors of  
 6       the Federal Reserve System shall promulgate such  
 7       regulations as necessary to carry out this subsection.

8       (d) AUTHORITY OF THE BOARD.—Member banks  
 9       shall be subject to such regulations and obligations as may  
 10      be imposed by the Board of Governors of the Federal Re-  
 11      serve System in connection with maintaining pass-through  
 12      digital dollar wallets.

13   **SEC. 4. AUTHORITY FOR STATE NONMEMBER BANKS AND**  
 14                   **CREDIT UNIONS TO OFFER PASS-THROUGH**  
 15                   **DIGITAL DOLLAR WALLETS.**

16       The Federal reserve banks shall permit State non-  
 17      member banks and credit unions to open master accounts  
 18      for the exclusive purpose of offering pass-through digital  
 19      dollar wallets in compliance with the separate entity struc-  
 20      ture described in section 3(a), if—

21           (1) the pass-through digital wallets comply with  
 22      the terms set forth in section 3(b); and

23           (2) each State nonmember bank or credit union  
 24      electing to offer pass-through digital wallets shall be

1 entitled to cost reimbursement in accordance with  
 2 section 3(c).

3 **SEC. 5. AUTHORITY AND MANDATE FOR FEDERAL RESERVE**  
 4 **BANKS TO MAINTAIN DIGITAL DOLLAR WAL-**  
 5 **LETS FOR THE GENERAL PUBLIC.**

6 (a) AUTHORIZATION.—Subject to such restrictions,  
 7 limitations, and regulations as may be imposed by the  
 8 Board of Governors of the Federal Reserve System, each  
 9 Federal reserve bank may maintain digital dollar wallets.

10 (b) MANDATE.—

11 (1) IN GENERAL.—All Federal reserve banks  
 12 shall, not later than January 1, 2021, make digital  
 13 wallets available to all residents and citizens of the  
 14 United States and to businesses domiciled in the  
 15 United States.

16 (2) LIMITED BRANCHES.—In areas where ac-  
 17 cess to physical member bank branches is limited,  
 18 including in low- or moderate-income geographies,  
 19 designated disaster areas, distressed or underserved  
 20 non-metropolitan middle-income geographies, as des-  
 21 ignated by the Federal Financial Institutions Exam-  
 22 ination Council, Federal reserve banks shall partner  
 23 with postal retail facilities to ensure access and  
 24 availability to application and account services for all

1 residents and citizens of the United States and to  
2 businesses domiciled in the United States.

3 (c) TERMS OF DIGITAL DOLLAR WALLET.—Digital  
4 dollar wallets—

5 (1) shall not be subject to any account fees,  
6 minimum balances, or maximum balances, and shall  
7 pay interest at a rate not below the greater of the  
8 rate of interest on required reserves and the rate of  
9 interest on excess reserves;

10 (2) shall provide debit cards, online account ac-  
11 cess, automatic bill-pay, mobile banking, customer  
12 service and other such services as the Board of Gov-  
13 ernors of the Federal Reserve System determines ap-  
14 propriate in the public interest, provided that digital  
15 dollar wallets shall not include overdraft coverage;

16 (3) shall provide, in conjunction with the Postal  
17 Service, access to automatic teller machines to be  
18 maintained on behalf of the Board of Governors of  
19 the Postal Service at postal retail facilities;

20 (4) shall be branded in all account statements,  
21 marketing materials, and other communications as  
22 “FedAccounts” maintained by the Federal reserve  
23 bank on behalf of the United States of America;

24 (5) may not be closed or restricted on the basis  
25 of profitability considerations; and



1           (6) shall provide account holders with reason-  
 2           able protection against losses caused by fraud or se-  
 3           curity breaches.

4           (d) BANK SECRECY ACT.—In establishing and main-  
 5           taining digital dollar wallets, each Federal reserve bank  
 6           shall comply with—

7           (1) section 21 of the Federal Deposit Insurance  
 8           Act (12 U.S.C. 1829b);

9           (2) chapter 2 of title I of Public Law 91–508  
 10          (12 U.S.C. 1951 et seq.); and

11          (3) subchapter II of chapter 53 of title 31,  
 12          United States Code.

13          (e) PRIVACY.—Section 552a of title 5, United States  
 14          Code (commonly known as the “Privacy Act of 1974”),  
 15          shall apply to digital dollar wallets, and the privacy obliga-  
 16          tions applicable to each Federal reserve bank and its em-  
 17          ployees, including with respect to criminal and civil pen-  
 18          alties, shall mirror those applicable to Federal tax returns  
 19          under sections 6103, 7213(a)(1), 7213A, and 7431 of the  
 20          Internal Revenue Code of 1986.

21       **SEC. 6. REGULATIONS.**

22          The Board of Governors of the Federal Reserve Sys-  
 23          tem shall promulgate regulations carrying out this Act.

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