

117TH CONGRESS  
2D SESSION

# S. 3891

To amend title 39, United States Code, to provide that the United States Postal Service may provide certain basic financial services, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 22, 2022

Mrs. GILLIBRAND (for herself, Mr. SANDERS, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

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## A BILL

To amend title 39, United States Code, to provide that the United States Postal Service may provide certain basic financial services, 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 “Postal Banking Act”.

5 **SEC. 2. AUTHORITY FOR THE POSTAL SERVICE TO OFFER**  
6 **CERTAIN FINANCIAL SERVICES.**

7 (a) IN GENERAL.—Section 404(a) of title 39, United  
8 States Code, is amended—

1 (1) in paragraph (7), by striking “and” at the  
2 end;

3 (2) in paragraph (8), by striking the period at  
4 the end and inserting a semicolon; and

5 (3) by adding at the end the following:

6 “(9) to provide basic financial services, includ-  
7 ing—

8 “(A) low-cost, small-dollar loans, not to ex-  
9 ceed \$500 at a time, or \$1,000 from 1 year of  
10 the issuance of the initial loan, as adjusted an-  
11 nually by the Postmaster General to reflect any  
12 change in the Consumer Price Index for All  
13 Urban Consumers of the Department of Labor;

14 “(B) small-dollar lending servicing, which  
15 shall ensure that the customer’s access to the  
16 products and the public interest is given signifi-  
17 cant consideration; and

18 “(C) small checking accounts and interest-  
19 bearing savings accounts, not to exceed the  
20 greater of—

21 “(i) \$20,000 per account; and

22 “(ii) 25 percent of the median account  
23 balance reported in the Federal Deposit  
24 Insurance Corporation’s quarterly Consoli-  
25 dated Reports of Condition and Income;

1           “(D) transactional services, including debit  
2           cards, automated teller machines, online check-  
3           ing accounts, check-cashing services, automatic  
4           bill-pay, mobile banking, or other products or  
5           partnerships that allow users to engage in the  
6           financial services described in this paragraph;

7           “(E) remittance services, including the re-  
8           ceiving and sending of money to domestic or  
9           foreign recipients; and

10           “(F) such other basic financial services as  
11           the Postal Service determines appropriate in  
12           the public interest;

13           “(10) to set interest rates and fees for the fi-  
14           nancial instruments and products provided by the  
15           Postal Service that—

16           “(A) ensures that the customer access to  
17           the products and the public interest is given  
18           significant consideration;

19           “(B) ensures that interest rates on savings  
20           accounts are at least 100 percent of the Federal  
21           Deposit Insurance Corporation’s weekly na-  
22           tional rate on nonjumbo savings accounts; and

23           “(C) ensures that the total interest rates  
24           on small-dollar loan amounts—

1           “(i) are inclusive of interest, fees,  
2           charges, and ancillary products and serv-  
3           ices; and

4           “(ii) do not exceed 101 percent of the  
5           Treasury 1 month constant maturity rate;  
6           and

7           “(11) to provide all financial products and serv-  
8           ices in subsection (a) exclusively, ensuring that the  
9           customer’s access to the products and the public in-  
10          terest is given significant consideration, and not  
11          through a partnership or contract with private insti-  
12          tutions, including insured depository institutions.”.

13          (b) NO BANK CHARTER.—The United States Postal  
14          Service shall not be granted a bank charter, become an  
15          insured depository institution, as defined in section 3 of  
16          the Federal Deposit Insurance Act (12 U.S.C. 1813), for  
17          the purpose of capital requirements.

18          (c) UCC.—The United States Postal Service shall be  
19          subject to the provisions of article 4 of the Uniform Com-  
20          mercial Code.

21          (d) REGULATIONS.—The Postmaster General, in con-  
22          sultation with the Secretary of the Treasury, the Bureau  
23          of Consumer Financial Protection, and the Federal bank-  
24          ing agencies, shall promulgate regulations carrying out  
25          this Act and the amendments made by this Act.

1 (e) TECHNICAL AND CONFORMING AMENDMENT.—

2 (1) IN GENERAL.—Section 404(e)(2) of title 39,  
3 United States Code, is amended by adding at the  
4 end the following: “The preceding sentence shall not  
5 apply to any financial service offered by the Postal  
6 Service under subsection (a)(9).”.

7 (2) FEDERAL RESERVE ACT.—Section 11 of the  
8 Federal Reserve Act is amended—

9 (A) by redesignating the second subsection  
10 (s) (relating to assessments, fees, and other  
11 charges for certain companies) as subsection  
12 (t); and

13 (B) by adding at the end the following:

14 “(u) FUNDING FOR POSTAL FINANCIAL SERVICES.—  
15 The Board, in consultation with the Chairman of the  
16 Board and the Postmaster General, shall transfer to the  
17 Postmaster General such sums as may be necessary to  
18 carry out the services described in section 404(a)(9) of  
19 title 39, United States Code, which shall—

20 “(1) be sufficient to ensure that the products  
21 described in that section shall substantially decrease  
22 the number of people who do not have a bank ac-  
23 count or use alternative financial products such as  
24 payday lending, check cashing, prepaid debt cards,  
25 and overdraft fees; and

1           “(2) be provided to the Postmaster General  
2           through an account separate from products not in-  
3           cluded or allowed under section 404 of that title.”.

4           (f) RULE OF CONSTRUCTION.—The services offered  
5 by the United States Postal Service under section 404 of  
6 title 39, United States Code—

7           (1) shall be considered permissible non-banking  
8           activities in accordance with section 225.28 of title  
9           12, Code of Federal Regulations; and

10           (2) shall not be considered the business of  
11           banking under the seventh paragraph of section  
12           5136 of the Revised Statutes (12 U.S.C. 24).

13           (g) GAO REPORT.—The Comptroller General of the  
14 United States shall submit to Congress an annual report  
15 that includes the demographics, number of participants,  
16 and average balances and uses for all products described  
17 in paragraphs (9) and (10) of section 404(a) of title 39,  
18 United States Code, as added by subsection (a) of this  
19 section.

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