

116TH CONGRESS  
1ST SESSION

# H. R. 3951

To amend the Expedited Funds Availability Act to require that funds deposited be available for withdrawal in real time and to require the Board of Governors of the Federal Reserve System to create a real time payment system, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2019

Ms. PRESSLEY (for herself and Mr. GARCÍA of Illinois) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Expedited Funds Availability Act to require that funds deposited be available for withdrawal in real time and to require the Board of Governors of the Federal Reserve System to create a real time payment system, 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 “Payments Moderniza-  
5 tion Act of 2019”.

1 **SEC. 2. REQUIREMENT THAT FUNDS DEPOSITED BE AVAIL-**  
2 **ABLE FOR WITHDRAWAL IN REAL TIME.**

3 (a) EXPEDITED FUNDS AVAILABILITY SCHED-  
4 ULES.—Section 603 of the Expedited Funds Availability  
5 Act (12 U.S.C. 4002) is amended—

6 (1) in subsection (a)—

7 (A) in paragraph (1)—

8 (i) by striking “Except as provided in  
9 subsection (e) and in section 604, in” and  
10 inserting “In”; and

11 (ii) in the matter following subpara-  
12 graph (B) by striking “not later than the  
13 business day after the business day on  
14 which” and inserting “in real time when”;

15 (B) in paragraph (2) by striking “not later  
16 than the business day after the business day on  
17 which” and inserting “in real time after”; and

18 (C) in the subsection heading by striking  
19 “NEXT BUSINESS DAY” and inserting “REAL  
20 TIME”;

21 (2) by striking subsection (b) and inserting the  
22 following:

23 “(b) PERMANENT SCHEDULE.—Funds deposited in  
24 an account at a depository institution by a check drawn  
25 on a local or nonlocal originating depository institution  
26 shall be available for withdrawal in real time.”;

1 (3) by striking subsection (c);

2 (4) by striking subsection (d);

3 (5) by redesignating subsections (e) and (f) as  
4 subsections (c) and (d), respectively;

5 (6) in subsection (c), as redesignated by para-  
6 graph (5)—

7 (A) in paragraph (1)(A)—

8 (i) by striking “Not more than 4 busi-  
9 ness days shall intervene between the busi-  
10 ness day a” and inserting “A”;

11 (ii) by inserting a comma after “sub-  
12 paragraph (B)”;

13 (iii) by striking “is”; and

14 (iv) by striking “and the business day  
15 on which funds from such deposit are  
16 available for withdrawal” and inserting  
17 “shall be available for withdrawal in real  
18 time”; and

19 (B) in paragraph (2)—

20 (i) by striking “, (b), and (c)” and in-  
21 serting “and (b)”;

22 (ii) in the paragraph heading by strik-  
23 ing “TEMPORARY AND PERMANENT  
24 SCHEDULES” and inserting “PERMANENT  
25 SCHEDULE”; and

1           (7) in subsection (d), as redesignated by para-  
2           graph (5), by striking “(c), or (e)” and inserting “or  
3           (c)”.

4           (b) SAFEGUARD EXCEPTIONS.—Section 604 of the  
5 Expedited Funds Availability Act (12 U.S.C. 4003) is  
6 amended—

7           (1) in subsection (a)—

8           (A) in paragraph (1)—

9           (i) in the matter following subpara-  
10           graph (D) by striking “on the business day  
11           after the business day on which such cash  
12           or funds are deposited or, in the case of a  
13           wire transfer, on the business day after the  
14           business day on which” and inserting “in  
15           real time after such cash or funds are de-  
16           posited or, in the case of a wire transfer,  
17           in real time after”; and

18           (ii) in the paragraph heading by strik-  
19           ing “NEXT BUSINESS DAY” and inserting  
20           “REAL TIME”;

21           (B) in paragraph (2)—

22           (i) by striking “, 603(c),”; and

23           (ii) by striking “603(e)” and inserting  
24           “603(c)”; and

1 (C) by striking paragraph (3)(B) and in-  
2 serting the following:

3 “(B) any such funds deposited in excess of  
4 such amount shall be available for withdrawal  
5 in real time.”;

6 (2) in subsection (b) by striking “(c), or (e)”  
7 and inserting “or (c)”;

8 (3) in subsection (c)(1) by striking “(c), and  
9 (e)” and inserting “and (c)”;

10 (4) in subsection (d) by striking “(c), and (e)”  
11 and inserting “and (c)”.

12 (c) MISCELLANEOUS PROVISIONS.—Section 607 of  
13 the Expedited Funds Availability Act (12 U.S.C. 4006)  
14 is amended—

15 (1) by striking subsections (a) and (b); and

16 (2) by redesignating subsections (c) through (f)  
17 as subsections (a) through (d), respectively.

18 (d) REGULATIONS AND REPORTS BY BOARD.—Sec-  
19 tion 609 of the Expedited Funds Availability Act (12  
20 U.S.C. 4008) is amended—

21 (1) by striking subsections (d) and (f); and

22 (2) by redesignating subsection (e) as sub-  
23 section (d).

1 **SEC. 3. REAL TIME PAYMENT SYSTEM.**

2 (a) IN GENERAL.—The Board of Governors of the  
3 Federal Reserve System shall create a real time payment  
4 system that—

5 (1) at a minimum, conforms with the principles  
6 outlined in the final report of the Faster Payments  
7 Task Force of the Federal Reserve System;

8 (2) allows end users have fast access to funds,  
9 in speeds approaching real time;

10 (3) operates as a utility, allowing end users to  
11 reach any other end user, including unbanked, un-  
12 derserved, and cross-border end users, regardless of  
13 the solution used by the end user;

14 (4) prioritizes safety and soundness, consumer  
15 health, efficiency, and other relevant public interest  
16 considerations;

17 (5) provides end users with the confidence and  
18 trust in the safety and security of the system by en-  
19 suring that—

20 (A) fraud and errors are minimized and re-  
21 solved quickly; and

22 (B) the assets, accounts, and information  
23 of the end user are protected, even as payments  
24 cross different solutions;

25 (6) has transparent operating information; and

1           (7) ensures that there are no volume discounts  
2           made that disadvantage smaller financial institu-  
3           tions.

4           (b) REAL TIME PAYMENT SYSTEM DEFINED.—In  
5           this section, the term “real time payment system” means  
6           a payment-by-payment interbank settlement system that  
7           facilitates settlements in real time and at any time, on  
8           any day, including weekends and holidays.

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