

118TH CONGRESS  
1ST SESSION

# S. 2409

To limit purchases of the Federal reserve banks, to require Generally Accepted Accounting Principles standards, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JULY 20, 2023

Mr. SCOTT of Florida 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 limit purchases of the Federal reserve banks, to require Generally Accepted Accounting Principles standards, 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 “Regular Order for In-  
5 vestments of the Federal Reserve Act” or the “ROI of  
6 the Federal Reserve Act”.

7 **SEC. 2. AMENDMENTS TO THE FEDERAL RESERVE ACT.**

8 The Federal Reserve Act is amended—

9 (1) in section 2B (12 U.S.C. 225b), by adding  
10 at the end the following:

1       “(d) ADDITIONAL ANNUAL REPORTS.—The Board  
2 and each Federal reserve bank shall submit to Congress,  
3 on an annual basis—

4               “(1) a report on the status and health of the  
5 middle class in the United States, including an anal-  
6 ysis of how the policies and programs of the Board  
7 and the Federal reserve banks either positively or  
8 negatively impacted the growth of the middle class  
9 in the United States; and

10              “(2) a report on the impact of the actions of  
11 the Board and the Federal reserve banks on the  
12 availability of small business lending and lines of  
13 credit since 2000, specifically how the balance sheet  
14 of the Federal reserve banks, the lending facilities of  
15 the Board, and interest paid on reserves of the Fed-  
16 eral reserve banks have impacted business credit and  
17 lending.”;

18              (2) in section 14(b)(2) (12 U.S.C. 355(2)), by  
19 inserting before the period at the end the following:  
20       “, except that, notwithstanding this paragraph and  
21 paragraph (1), on and after the date of enactment  
22 of the Regular Order for Investments of the Federal  
23 Reserve Act, a Federal reserve bank may not—

24                      “(A) purchase a Treasury bill with a term  
25                      of maturity that is more than 3 years;

1                   “(B) purchase a mortgage-backed security;

2                   or

3                   “(C) directly or indirectly hold shares of  
4                   common stock acquired on or after the date of  
5                   enactment of the Regular Order for Invest-  
6                   ments of the Federal Reserve Act”; and

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

8   **“SEC. 33. ACCOUNTING PRINCIPLES AND VALUATIONS.**

9                   “(a) ACCOUNTING PRINCIPLES.—The accounting  
10                  principles applicable to any filings made by the Board, the  
11                  Federal Open Market Committee, or a Federal reserve  
12                  bank shall be consistent with generally accepted account-  
13                  ing principles.

14                  “(b) VALUATIONS.—The Board, the Federal Open  
15                  Market Committee, and each Federal reserve bank shall  
16                  use mark-to-market valuations for each financial estimate  
17                  described in a report or audit under the seventh undesig-  
18                  nated paragraph of section 10, section 11(a), or section  
19                  11B.”.

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