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.

IN THE HOUSE OF REPRESENTATIVES

Ms. PRESSLEY introduced the following bill; which was referred to the Committee on ____________________________

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.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Payments Modernization Act of 2019”.

SEC. 2. REQUIREMENT THAT FUNDS DEPOSITED BE AVAILABLE FOR WITHDRAWAL IN REAL TIME.

(a) Expedited Funds Availability Schedules.—Section 603 of the Expedited Funds Availability Act (12 U.S.C. 4002) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “Except as provided in subsection (c) and in section 604, in” and inserting “In”; and

(ii) in the matter following subparagraph (B) by striking “not later than the business day after the business day on which” and inserting “in real time when”; and

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

(C) in the subsection heading by striking “Next Business Day” and inserting “Real Time”;

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

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

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(3) by striking subsection (c);

(4) by striking subsection (d);

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

(6) in subsection (c), as redesignated by paragraph (5)—

(A) in paragraph (1)(A)—

(i) by striking “Not more than 4 business days shall intervene between the business day a” and inserting “A”;

(ii) by inserting a comma after “subparagraph (B)”;

(iii) by striking “is”; and

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

(B) in paragraph (2)—

(i) by striking “, (b), and (c)” and inserting “and (b)”;

(ii) in the paragraph heading by striking “TEMPORARY AND PERMANENT SCHEDULES” and inserting “PERMANENT SCHEDULE”; and
(7) in subsection (d), as redesignated by paragraph (5), by striking “(e), or (e)” and inserting “or (c)”.

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

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in the matter following subparagraph (D) by striking “on the business day after the business day on which such cash or funds are deposited or, in the case of a wire transfer, on the business day after the business day on which” and inserting “in real time after such cash or funds are deposited or, in the case of a wire transfer, in real time after”; and

(ii) in the paragraph heading by striking “NEXT BUSINESS DAY” and inserting “REAL TIME”; and

(B) in paragraph (2)—

(i) by striking “, 603(e),”; and

(ii) by striking “603(e)” and inserting “603(e)”; and
(C) by striking paragraph (3)(B) and inserting the following:

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

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

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

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

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

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

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

(d) REGULATIONS AND REPORTS BY BOARD.—Section 609 of the Expedited Funds Availability Act (12 U.S.C. 4008) is amended—

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

(2) by redesignating subsection (e) as subsection (d).
SEC. 3. REAL TIME PAYMENT SYSTEM.

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

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

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

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

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

(5) provides end users with the confidence and trust in the safety and security of the system by ensuring that—

(A) fraud and errors are minimized and resolved quickly; and

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

(6) has transparent operating information; and
(7) ensures that there are no volume discounts made that disadvantage smaller financial institutions.

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