

119TH CONGRESS  
1ST SESSION

# H. R. 146

To amend the Federal Reserve Act to prohibit Federal reserve banks from paying interest on excess reserves.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Mr. DAVIDSON introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Federal Reserve Act to prohibit Federal reserve banks from paying interest on excess reserves.

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 “Prohibition on IOER  
5 Act of 2025”.

6 **SEC. 2. PROHIBITION ON PAYMENT OF EARNINGS ON SUR-**  
7 **PLUS RESERVES.**

8 Section 19(b)(12) of the Federal Reserve Act (12  
9 U.S.C. 461(b)(12)) is amended—

1           (1) in the heading, by inserting “REQUIRED RE-  
2           SERVE” before “BALANCES”;

3           (2) in subparagraph (A), by inserting after  
4           “Balances” the following: “of reserves required to be  
5           maintained by a depository institution under para-  
6           graph (2) that are”;

7           (3) by redesignating subparagraph (C) as sub-  
8           paragraph (D); and

9           (4) by inserting after subparagraph (B) the fol-  
10          lowing:

11                   “(C) PROHIBITION ON OTHER EARN-  
12                   INGS.—A Federal reserve bank may not pay  
13                   earnings on balances maintained at a Federal  
14                   reserve bank by or on behalf of a depository in-  
15                   stitution except as provided under this para-  
16                   graph.”.

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