

S 524

Small Business Interest Checking Act of 2001

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Mar 13, 2001

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Mar 13, 2001)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/524>

Sponsor

Name: Sen. Schumer, Charles E. [D-NY]

Party: Democratic • **State:** NY • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 13, 2001

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
107 HR 974	Identical bill	Apr 4, 2001: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Summary (as of Mar 13, 2001)

Small Business Interest Checking Act of 2001- Amends Federal banking law governing interaccount transfers to provide that a depository institution may permit owners of certain interest- or dividend-paying accounts to make up to 24 transfers monthly for any purpose to their other accounts in the same institution.

Amends the Federal Reserve Act to authorize a Federal reserve bank to pay interest at least quarterly (at a rate not to exceed the general level of short term interest rates) to a depository institution on any balance it maintains at the reserve bank.

Repeals a specified restriction in order to authorize pass-through reserves for member banks (as well as non-member banks).

Reformulates the mandatory depository institution reserve ratio to: (1) one that is not greater than three percent, and may be zero, (currently, a flat ratio of three percent) for transaction accounts of \$25 million or less; and (2) reduce from eight percent to zero the minimum ratio for transaction accounts exceeding \$25 million. (Thus authorizes zero reserve requirements for such accounts.)

Requires the Federal Reserve banks to transfer certain surplus funds for deposit into the general fund of the Treasury equal to the estimated net cost of making the quarterly payments of interest mandated by this Act for FY 2002 through 2006.

Prohibits such banks from replenishing surplus funds by the amount of any such transfers during that time period.

Actions Timeline

- **Mar 13, 2001:** Introduced in Senate
- **Mar 13, 2001:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.