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Interest on Business Checking Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Nov 25, 2003

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S16010-16011) (Nov 25, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/senate-bill/1967>

Sponsor

Name: Sen. Hagel, Chuck [R-NE]

Party: Republican • **State:** NE • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Snowe, Olympia J. [R-ME]	R · ME		Nov 25, 2003

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Nov 25, 2003

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Interest on Business Checking Act of 2003 - Amends Federal law to authorize interest-bearing transaction accounts for all businesses, permitting up to 24 transfers per month to another account of the owner in the same institution (or any greater number the Federal Reserve Board may determine).

Amends the Federal Reserve Act, the Home Owners' Loan Act, and the Federal Deposit Insurance Act to repeal the proscription on the payment of interest on demand deposits.

Requires a joint rulemaking by the Secretary of the Treasury and the Federal banking agencies authorizing the payment of interest and dividends on transaction accounts at depository institutions under their respective jurisdictions.

Amends the Federal Reserve Act to authorize the payment of interest at least quarterly by a Federal reserve bank on reserves maintained there on behalf of a depository institution.

Revises the ratio of reserves a depository institution must maintain against its transaction accounts, permitting a ratio of zero.

States that where escrow accounts are maintained at a depository institution for completion of a real estate settlement transaction specified expense-taking or fee-waiving activities shall not be treated as the payment or receipt of interest for purposes relating to the payment of interest on accounts or deposits maintained at depository institutions.

Actions Timeline

- **Nov 25, 2003:** Introduced in Senate
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