

## HR 1224

Business Checking Freedom Act of 2005

**Congress:** 109 (2005–2007, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Mar 10, 2005

**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. (May 26, 2005)

**Official Text:** <https://www.congress.gov/bill/109th-congress/house-bill/1224>

### Sponsor

**Name:** Rep. Kelly, Sue W. [R-NY-19]

**Party:** Republican • **State:** NY • **Chamber:** House

### Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Hinojosa, Ruben [D-TX-15]	D · TX		Mar 10, 2005
Rep. Kanjorski, Paul E. [D-PA-11]	D · PA		Mar 10, 2005
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Mar 10, 2005
Rep. Manzullo, Donald A. [R-IL-16]	R · IL		Mar 10, 2005
Rep. Sherman, Brad [D-CA-27]	D · CA		Mar 10, 2005
Rep. Velazquez, Nydia M. [D-NY-12]	D · NY		Mar 10, 2005
Rep. Gillmor, Paul E. [R-OH-5]	R · OH		Apr 21, 2005

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 26, 2005
Financial Services Committee	House	Reported By	May 16, 2005

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

*No related bills are listed.*

Business Checking Freedom Act of 2005 - (Sec. 2) Authorizes interest-bearing transaction accounts for all businesses, permitting up to 24 transfers per month (or any greater number the Federal Reserve Board may determine) to another account of the owner in the same institution.

Conditions payment of interest on the Business Now Accounts of corporations, business partnerships, or other business entities upon a determination by the appropriate State bank supervisor that an industrial loan company or industrial bank is not a nonqualified industrial loan company, that is, a company controlled directly or indirectly by a commercial firm. Defines commercial firm as any entity at least 15 percent of the annual gross revenues of which on a consolidated basis, including all its affiliates, were derived from engaging, on an on-going basis, in activities that are not financial in nature or incidental to a financial activity during at least three of the prior four calendar quarters.

Excludes from the meaning of nonqualified industrial loan company (thus grandfathering) any commercial firm-controlled industrial loan company, industrial bank, or other specified institution which became an insured depository institution before October 1, 2003, or pursuant to an application for deposit insurance approved by the Federal Deposit Insurance Corporation before such date.

(Sec. 3) Amends the Federal Reserve Act, the Home Owners' Loan Act, and the Federal Deposit Insurance Act to repeal the prohibition against the payment of interest on demand deposits. Makes such repeal effective two years from the date of enactment.

(Sec. 4) Authorizes the payment of interest on reserves by a Federal reserve bank at least quarterly on balances maintained there on behalf of a depository institution.

Amends the Federal Reserve Act to require the Board to survey annually and report to Congress on bank fees and services including: (1) checking and other transaction accounts; (2) negotiable order of withdrawal and savings accounts; (3) automated teller machine transactions; and (4) other electronic transactions. Sets forth minimum survey requirements for each such account or transaction. Requires the survey to address minimum balance requirements as well as fees.

Requires the Board to report annually to Congress on the survey results.

Amends the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to repeal certain reporting requirements.

(Sec. 5) Amends the Federal Reserve Act to revise the ratio of reserves a depository institution must maintain against its transaction accounts, permitting a ratio of zero.

(Sec. 6) Directs the Federal reserve banks to deposit additional surplus funds into the general fund of the Treasury for FY2005-2009 equal to the estimated annual net revenue loss associated with allowing interest payments on required reserve balances.

Prohibits such banks, during FY2005-2009, from replenishing their respective surplus funds by the amount of any such transfer made to cover interest payments.

## Actions Timeline

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- **May 26, 2005:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **May 25, 2005:** Received in the Senate.
- **May 24, 2005:** Considered as unfinished business. (consideration: CR H3852-3853)
- **May 24, 2005:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 424 - 1 (Roll no. 206).(text: CR 5/23/2005 H3738-3740)
- **May 24, 2005:** On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 424 - 1 (Roll no. 206). (text: CR 5/23/2005 H3738-3740)
- **May 24, 2005:** Motion to reconsider laid on the table Agreed to without objection.
- **May 23, 2005:** Mrs. Kelly moved to suspend the rules and pass the bill, as amended.
- **May 23, 2005:** Considered under suspension of the rules. (consideration: CR H3839-3840)
- **May 23, 2005:** DEBATE - The House proceeded with forty minutes of debate on H.R. 1224.
- **May 23, 2005:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
- **May 16, 2005:** Reported (Amended) by the Committee on Financial Services. H. Rept. 109-81.
- **May 16, 2005:** Reported (Amended) by the Committee on Financial Services. H. Rept. 109-81.
- **May 16, 2005:** Placed on the Union Calendar, Calendar No. 41.
- **Apr 27, 2005:** Committee Consideration and Mark-up Session Held.
- **Apr 27, 2005:** Ordered to be Reported (Amended) by Voice Vote.
- **Mar 10, 2005:** Introduced in House
- **Mar 10, 2005:** Introduced in House
- **Mar 10, 2005:** Referred to the House Committee on Financial Services.