

[Banking and Finance Law Daily Wrap Up, FINANCIAL STABILITY—Brown introduces legislation to help unbanked get access to coronavirus relief payments, \(Mar. 25, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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By Donielle Tigay Stutland, J.D.

Senator Sherrod Brown (D-OH) introduces "Banking for All Act," to allow Americans to set up digital bank accounts to ensure that all who are entitled to receive COVID-19 relief payments have free and easy access to payments.

Senator Sherrod Brown (D-OH), the ranking member of the U.S. Senate Committee on Banking, Housing and Urban Affairs, introduced legislation in the Senate proposing that all Americans have access to free bank accounts in efforts to ensure that all Americans have access to the direct stimulus payments in connection with the novel coronavirus relief package. Brown is calling on his colleagues to include the "[Banking for All Act](#)," in relief efforts to provide American consumers with free digital bank accounts.

"At the height of this pandemic we must do more to protect the financial wellbeing of hardworking Americans and consumers. They are on the front lines of this crisis and are already feeling the effects of the economic fallout," said Brown in a press release announcing the proposed legislation.

Similar to legislation that was included in the House Financial Service Committee's coronavirus proposal, Brown is proposing digital wallets to help ensure that consumers have access to relief payments promptly and without the fees associated with obtaining banking products and services outside of the banking system.

Under the proposal, Americans would be able to open a free digital wallet, called a "FedAccount," which would help consumers have access to coronavirus relief quickly and inexpensively. Brown's [press release](#) noted that approximately 8.4 million U.S. households were unbanked in 2017, and an additional 18.7 percent of U.S. households were "underbanked" in 2017, according to the FDIC's 2017 National Survey of Unbanked and Underbanked Households. Senator Brown stated, "My legislation would allow every American to set up a free bank account so they don't have to rely on expensive check cashers to access their hard-earned money."

Included in the bill are definitions for "digital dollars," and a "digital dollar wallet," as well as a the authority and a mandate for all member banks to maintain a pass-through digital dollar wallet for all persons, including those eligible to receive COVID-19 relief payments. The bill also gives authority to state non-member banks and credit unions to offer pass-through digital wallets. Finally, the bill mandates that Federal Reserve Banks also offer pass-through digital wallets. The bill provides that in low-income areas where the Fed may not have a branch, the Fed will partner with postal retail facilities to carry out this mandate. This includes the Fed maintaining ATMs at U.S. Post Offices for access to cash.

Specifically, the bill would provide that:

- Everyone can set up a digital dollar wallet, called a "FedAccount," a free bank account that can be used to receive money, make payments, and take out cash.
- Fed Accounts would be available at local banks and Post Offices.
- Fed Accounts would have no account fees or minimum balance requirements.
- Account holders would receive debit cards, online account access, automatic bill-pay, mobile banking, and ATM access at Post Offices.

- Fed Accounts can be used to make sure that everyone who is entitled to COVID-19-related relief receives it quickly and inexpensively. That means that people will not have to rely on costly check cashers or other alternative financial services.

LegislativeActivity: BankingOperations CommunityDevelopment Covid19 FinancialStability