**Crapo Statement at Semiannual Monetary Policy Report Hearing**

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, today delivered the following opening remarks during a full committee hearing on the Semiannual Monetary Policy Report to Congress.

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today we will receive testimony from Federal Reserve Chair Janet Yellen regarding the Fed’s semiannual report to Congress on monetary policy and the state of the economy.

“Promoting economic growth remains a top priority for this Congress.

“I have been encouraged to see federal agencies and stakeholders carefully and thoroughly evaluating current laws and regulations.

“Since the last Humphrey-Hawkins hearing in February, there have been numerous developments that will impact economic growth legislation: Senator Brown and I solicited the public for economic growth proposals; this Committee has held numerous hearings focused on economic growth with financial companies and regulators; Federal financial regulators issued their second EGRPRA report; and the Treasury Department issued its first report on Core Principles of Financial Regulation.

“In addition, members on both sides of the aisle have expressed interest in finding ways to help our economy improve.

“Support for bipartisan legislation promoting economic growth continues to build.

“Particular interest has been focused on finding bipartisan solutions to tailor regulations, change the SIFI threshold, exempt certain firms from stress testing, fix the Volcker Rule, and simplify small bank capital rules.

“These are just a few of many issues raised to the Committee in recent months.

“Imposing enhanced standards designed for the most complex systemic firms on institutions that are not systemic has real-world implications.

“I regularly hear from Idaho businessmen and women who are concerned about access to business loans that would create jobs and promote a healthy economy.

“The $50 billion SIFI threshold, particularly, is an area we should address.

“There are different ways enhanced standards could be applied and all too many have questioned whether the $50 billion threshold is appropriate.

“Chair Yellen, Federal Reserve Governor Powell, Acting Comptroller Noreika, former Federal Reserve Governor Tarullo, and former Comptroller Curry have all expressed support for changing the $50 billion threshold.

“In addition to the $50 billion threshold, Federal Reserve Governor Powell recently shared specific areas where the Fed believes some laws and regulations can be changed to alleviate burden, including the Volcker Rule, stress tests, and resolution plans, among others.

“I look forward to working with the Fed on these issues and welcome any additional color Chair Yellen can provide on areas where the Fed and Congress may act to further reduce burden.

“With respect to housing, reforming the housing finance system is one of my key priorities this Congress.

“I have repeatedly stated that the status quo is not a viable option.

“The current system is not in the best interest of consumers, taxpayers, investors, lenders and the broader economy.

“I was encouraged that Federal Reserve Governor Powell gave a speech last week in which he said that “[t]he status quo may feel comfortable today, but it is also unsustainable.”

“He also noted that ‘[a]s memories of the crisis fade, the next few years may present our last best chance to finish these critical reforms.’

“With respect to monetary policy, the Fed has now raised interest rates four times since 2008.

“Overall, the Fed maintains an accommodative monetary policy with a balance sheet that still stands at $4.5 trillion in assets.

“Last month, the FOMC issued an addendum to its Policy Normalization Principles and Plans detailing how the Fed will gradually reduce its assets.

“I welcome more comments from Chair Yellen about the state of the economy and the path of monetary policy.

“The Committee continues to work to find bipartisan fixes to address many of the issues outlined here today.

“I look forward to working with Chair Yellen, the Federal Reserve, and members of this Committee.”

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