

Statement of Senator Mike Crapo
Committee on Banking, Housing, and Urban Affairs
March 1, 2018

Crapo Statement at Monetary Policy 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 remarks during a full committee hearing on the Semiannual Monetary Policy Report to the Congress with Federal Reserve Chairman Jerome Powell.

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

“Welcome, Chairman Powell, for your first appearance before this committee as Chairman of the Federal Reserve Board of Governors, and congratulations on your confirmation.

“Today’s hearing is an important opportunity to examine the current state of monetary and regulatory policy.

“Over the past few years, the Humphrey-Hawkins hearing has often served as an opportunity for members of this Committee to review the new regulations imposed in the wake of the financial crisis.

“While I did not always agree with former Chairman Bernanke and former Chair Yellen, I appreciated their willingness to engage with the Committee and discuss possible improvements to the regulatory regime.

“These discussions were helpful in building common ground for our banking bill, S. 2155, particularly for provisions like the threshold for enhanced standards under Section 165 of Dodd-Frank.

“This bipartisan bill now has 13 Republican and 13 Democratic and Independent co-sponsors.

“The bill was the result of a thoughtful, deliberative process over several years that included hearings, briefings, meetings and written submissions from hundreds of commentators and stakeholders.

“The primary purpose of the bill is to make targeted changes to simplify and improve the regulatory regime for community banks, credit unions, midsize banks and regional banks to promote economic growth.

“Economic growth has been a key priority for this Committee and this Administration this Congress.

“The U.S. economy has failed to grow by more than 3 percent annually for more than a decade, by far the longest stretch since GDP has been officially calculated.

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“But now, there are widespread expectations that growth is finally picking up.

“According to the January FOMC meeting minutes, the Federal Reserve increased its expectations for real GDP growth going forward, after 4th quarter growth exceeded expectations.

“The Fed cited the recently-enacted tax reform legislation as among the reasons economic growth is expected to rise.

“In addition to tax reform, President Trump’s recently-released Budget and Economic Report both emphasize that regulatory reform is a key component of rising productivity, wages and economic growth.

“By right-sizing regulation, the Committee’s economic growth bill will improve access to capital for consumers and small businesses that help drive our economy.

“Now that many are predicting a pickup in growth, a number of commentators have expressed sudden concerns about the economy overheating.

“While the Federal Reserve should remain vigilant in monitoring inflation risks, we also must continue to pursue commonsense, pro-growth policies that will lead to increased innovation, productivity, and wages.

“With respect to monetary policy, I am encouraged that the Federal Reserve is continuing on its gradual path to monetary policy normalization.

“The Fed has begun to reduce its balance sheet by steadily decreasing the amount of principal it reinvests as assets in its portfolio mature.

“I look forward to hearing more about the Fed’s monetary policy outlook as part of Chairman Powell’s testimony today.

“I also look forward to hearing about the Federal Reserve’s ongoing efforts to review, improve and tailor existing regulations.

“I know that you are working with Vice Chairman for Supervision Randy Quarles on those issues.

“Vice Chairman Quarles has done an excellent job so far, and I urge Congress to confirm him for his full term on the Board as soon as possible.”

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