

SENT VIA ELECTRONIC MAIL

January 31, 2022

The Honorable Sherrod Brown and Patrick Toomey
US Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Re: Federal Reserve Board Nomination of Sarah Bloom Raskin

Dear Chairman Brown and Ranking Member Toomey:

As a banker and former state financial regulator, I am honored to have the opportunity to offer this letter in support of Sarah Bloom Raskin, nominated to serve as the Vice Chair for Supervision of the Board of Governors of the Federal Reserve System.

It is a rare and unique opportunity for those of us directly impacted by the regulations and policy promulgated by the Federal Reserve to find a regulator with both the requisite experience and the willingness to once again serve the country and financial system. From roles in the private sector and as a state and federal regulator, Ms. Raskin has applied sound decision making and public policy to support economic development while protecting consumers, including leading community banks in Maryland through the worst financial crisis that most of us have ever faced in our lifetimes.

After leaving her post as the Commissioner of Financial Regulation for the state of Maryland, Ms. Raskin's steadfast leadership as a Federal Reserve Board Governor was once again evident. As a Governor in the post-financial crisis era, Ms. Raskin worked tirelessly to understand the pressure and challenges faced by banks and the communities they served. She made it clear that access to credit, critical to supporting and stabilizing a strong economy, must be approached with thoughtful and informed discipline not to be threatened by political whims and winds. In doing so, she understood that one size does not fit all when it comes to bank regulation and oversight. Bankers witnessed firsthand from her direct interactions with community banks and bankers during and after the Great Recession that approaching supervision of a community bank differs from that of a large bank, especially one whose failure could impact the global economy.

And while today's challenges are different than those that faced Governor Bloom Raskin during her tenure at the Fed, I am optimistic for the positive impact that she will have on banks and the financial system today through the same careful and disciplined approach to oversight and regulation which ensures that community banks remain viable outlets ensuring access to credit. Some of the risks that banks of all sizes must be prepared to address in coming years, including impact of climate change on our loan portfolios, emerging technologies, cyber threats, and others that are yet unseen, are all areas of risk that demonstrate the need for common sense supervision. Ms. Raskin's track record of becoming an informed and effective policymaker make her ideally suited for this role. She is uniquely qualified

to address the very real challenges that threaten the stability of our financial system and she will do so without overreach.

The devastating effects of severe weather events brought on by climate change pose a quantifiable risk to the safety and soundness of banks of all sizes. Like any other risk, banks must purposely identify, mitigate, and monitor their portfolios pursuant to sound oversight practices. These practices and internal controls have been required of federally insured depository institutions for decades. Statements that have been made asserting that Ms. Raskin's nomination would pose a threat to credit access are misinformed and unfounded. Assuming that she would take a broad-brush approach that would harm the flow of credit to credit worthy bank borrowers fails to take into account both her track record of disciplined regulatory oversight and the risk management practices employed by any healthy bank for years.

A risk based and right sized approach to understanding and addressing the current challenges that our banks and communities face today is central to the role of Vice Chair. Accordingly, former Governor Bloom Raskin's leadership will have an invaluable positive impact for years to come and is in line with safe and sound banking practices critical to a stable financial system.

This Committee must further take steps to fill the vacancies in the prudential regulatory agencies, including the current position that Ms. Raskin has been nominated to fill. Banks rely on clear guidance, policies, and communication from our regulators. The relationship between regulators and banks must be collaborative. Both banks and regulators want the same result - a safe and sound depository institution that meets the credit needs of the communities we serve. Having multiple seats open for extended terms creates uncertainty that ultimately translates into wasted resources as banks try to predict and fill in details when guidance is absent. Vacancies only lead to disruption and lost opportunities for those of us trying to predict future regulatory responses. As Vice Chair, I am confident that Ms. Raskin's approach to common sense and collaborative supervision will remedy some of this uncertainty while strengthening the health and safety of our nation's banks and financial system.

For the reasons set-forth above, I offer this letter in support and without reservation. I am available to provide additional information or answer any questions that you have.

Respectfully,



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Cc: Senate Committee on Banking, Housing, and Urban Affairs