

Opening Statement
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Nominee for Chairman and Board Member
Federal Deposit Insurance Corporation
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Chairman Brown, Ranking Member Toomey, Members of the Committee, it is my honor to appear before you as the President's nominee to serve as Chairman and Member of the Board of the Federal Deposit Insurance Corporation.

I would like to thank President Biden for the honor of this nomination, and Chairman Brown and Ranking Member Toomey for scheduling this confirmation hearing. I would also like to thank Senator Van Hollen for his kind introduction.

I have had the privilege of serving as a member of the FDIC Board since August 2005, and as Vice Chairman, Chairman, and Acting Chairman during that period. I served as Vice Chairman during the Global Financial Crisis of 2008 and its immediate aftermath, and as Acting Chairman and Chairman during the post-crisis recovery period.

Prior to joining the FDIC, I worked for Senator Sarbanes on the staff of the Senate Committee on Banking, Housing, and Urban Affairs from January 1987 to August 2005. During that period, I had the opportunity to work on major legislation including FIRREA, FDICIA, the Riegle-Neal Interstate Banking Act, the Gramm-Leach-Bliley Act, and the Sarbanes-Oxley Act.

A reasonable question to ask is why, after serving on the FDIC Board for such a long period, I would seek nomination to serve as Chairman again?

The answer is pretty straightforward. My parents, who were Holocaust survivors from Poland, gave me the gift of being born in this country. Public service is a calling that has always been most meaningful to me. The FDIC is a great agency of our government, whose mission of maintaining public confidence and stability in our financial system is critical to our country's well-being. The opportunity to serve on the FDIC Board and to provide leadership as Chairman has been the greatest honor of my life. I can think of no opportunity that would have greater meaning to me than the chance to continue to serve.

As I indicated in testimony before this Committee two weeks ago, the banking industry enters the current period of economic uncertainty in a position of significant strength. The industry is experiencing strong loan growth and continued good asset quality measures, and remains well-capitalized and highly liquid. However, it continues to face significant downside risks from inflation, rising market interest rates, and geopolitical uncertainty. Taken together, these risks may reduce profitability, weaken credit quality and capital, and limit loan growth in coming quarters. These will be matters of ongoing supervisory attention by the FDIC for the near-term.

In my testimony I also outlined key policy priorities for the FDIC for the remainder of this year and next including maintaining a strong Deposit Insurance Fund, strengthening the Community Reinvestment Act, addressing the financial risks of climate change, reviewing the bank merger process, evaluating the risks of crypto-assets to the banking system, and finalizing the Basel III capital rules.

In addition, I highlighted the FDIC's efforts to support Minority Depository Institutions and Community Development Financial Institutions, promote a diverse and inclusive workplace at the FDIC, and strengthen cybersecurity and information security within the banking industry.

I would like to conclude this statement with two acknowledgements.

First, the last time I appeared before this Committee for a confirmation hearing I had the honor of being introduced by Senator Sarbanes. Most of what I know about public service I learned from him, and from serving on the staff of this Committee. His integrity, intelligence, and judgment were such that not a day that goes by that I don't ask myself, "What would Senator Sarbanes do?"

Finally, I would like to acknowledge the dedication and extraordinary capabilities of the employees of the FDIC who have performed with such distinction throughout my tenure at the agency, especially during times of crisis. They are deeply committed to the FDIC's mission and serve our country well every day.

That concludes my statement. I would be glad to respond to your questions.