

Michelle W Bowman: Confirmation hearing

Testimony by Ms Michelle W Bowman, Member of the Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, US Senate, Washington DC, 5 June 2019.

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Chairman Crapo, Ranking Member Brown, and members of the Committee, it has been just over a year since this Committee first recommended my nomination as a Federal Reserve Board Governor. While I am not the first community banker to serve on the Board, I am humbled by the opportunity you gave me to serve as the first Governor to fill the role the Congress designated for someone with community banking experience on the Federal Reserve Board. I am deeply honored the President has renominated me to serve in that capacity.

I am also grateful to my family for their continued support. My husband, Wes, and our children, Jack and Audrey, are here with me today. The rest of my family are watching from home in Kansas.

Since my confirmation last year, I have worked to fulfill my unique role on the Board by traveling widely and listening closely to community bankers, consumers, small business owners, and community leaders. I have visited with farmers, workers, and business leaders from across the country to discuss the economy. I am making sure these unique perspectives are represented in the Federal Reserve's deliberations and decision making on both monetary policy and regulatory matters.

During my time at the Board, I have also drawn on my experience as a community banker and regulator to ensure that our work is guided by a deep understanding of the practical realities confronting bankers and the communities they serve across the country. The work done after the crisis to address the weaknesses in the U.S. financial system and ensure its future resilience was essential. However, during my time at my family's community bank, I saw firsthand how the regulatory changes created in the aftermath of the crisis impacted community financial institutions. Small, solid institutions like this one are essential to so many of our citizens and communities. As regulators, we need to ensure that we are not imposing unnecessary burdens on community banks. That is why one of my priorities as a Governor has been to appropriately tailor our supervision and regulation to the size, complexity, capacity, and risks posed by an institution.

To further this effort, I recently formed a working group of experts from across the Federal Reserve System to launch a comprehensive review of our supervisory work with smaller regional and community banks. While serving as the Kansas State Bank Commissioner, I was committed to treating every consumer and institution fairly and respectfully and fostering open communication. This working group will follow those same principles. We are looking for ways to optimize our supervision and regulation to ensure it adapts to the on-the-ground realities of an evolving industry and changing consumer expectations while maintaining the safety and soundness of our banking system.

Let me close by saying a few words about monetary policy and the Federal Reserve's dual mandate. As a community banker, it was my job to support local businesses and consumers. I draw upon this experience often when thinking about monetary policy, because it has given me a personal and practical understanding of how the Federal Reserve's goals of fostering maximum employment and stable prices directly affects individuals as well as the broader financial system and economy. The Congress has given the Federal Reserve independence to pursue these goals, because our work is critical to our economy, to businesses, to families, and to communities. I am deeply committed to fulfilling this mandate.

If confirmed by the Senate, I will continue the important work I have begun and be committed to accountability, transparency, and clear communication in all of my responsibilities at the Federal Reserve. Thank you for the honor of this hearing, and I look forward to answering the Committee's questions.