Chairman Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
June 25, 2025 at 10:00 AM

Thank you all for being here. Thank you, Chair Powell, for joining us today for such an important conversation.

Before we begin, I do want to take a second to thank you for following through on your commitment to remove “reputational risk” from bank examination at the Fed.

This is a necessary first step toward ending the politicization of bank supervision. And it is certainly a step, in my opinion, in the right direction.

But it’s not enough to change the policy on paper – examiners need to implement it in practice – and I hope they do.

I will say, I was actually a little surprised when we were talking on Monday that you didn’t bring it up during that conversation since it happened a few minutes later, but it was good to see nonetheless.

The Fed plays a central role in the health of our economy and the stability of our financial system.

But with that role comes responsibility – to be accountable to the American people, to remain independent from political pressures, and to be transparent.

Unfortunately, over the past few years, many Americans have lost confidence in the Federal Reserve.

Since 2021, American families have endured persistent inflation, rising interest rates, and a tightening squeeze on their wallets.

A college student trying to cover tuition and food with a part-time job is finding that everything costs so much more, while credit costs have doubled.

A senior citizen trying to downsize is watching mortgage rates skyrocket and fixed incomes fall behind.

Yet during this time of hardship, the Fed has spent billions on lavish renovations to its D.C. offices. We're talking about rooftop terraces, custom elevators that open into VIP dining rooms, white marble finishes, and even a private art collection.

All this costing $2.5 billion – a 32 percent increase from the original $1.9 billion price tag – at a time when the Fed hasn't turned a profit since 2022.

We can all agree that updating aging infrastructure is a legitimate need. But when senior citizens can barely afford Formica countertops, it sends the wrong message to spend public money on luxury upgrades that feel more like they belong in the Palace of Versailles than a public institution.

At the same time, the Fed's role as an independent, apolitical institution is being questioned.

The central bank joined a global organization to "green" the financial system under the leadership of President Biden, only to exit it as soon as President Trump took office.

That's not neutrality. That's drifting.

Now, let's turn to supervision at the Fed, which at times is unduly burdensome.

The Fed must right-size the regulatory framework for banks to eliminate unnecessary burdens, especially community banks.

I am encouraged that the Fed is taking important first steps on capital, and I look forward to seeing what comes from the Board's meetings today on revisions to supplementary leverage ratio standards.

But more work needs to be done to ensure capital rules don't choke off access to credit for entrepreneurs and working families.

That's why I want to underscore the importance of empowering the newly confirmed Vice Chair of Supervision, Governor Michelle Bowman.

Governor Bowman has been a consistent voice for transparency, accountability, and just plain old fashion sanity.

I expect her to lead on reform at the Fed – and I expect you, as Chairman, to afford her the same stature as her predecessors.

I look forward to hearing from you and your testimony.