

Statement of Michelle W. Bowman
Nominee to be a Member of the Board of Governors of the Federal Reserve System
Before the Committee on Banking, Housing, and Urban Affairs
United States Senate
May 15, 2018

Chairman Crapo, Ranking Member Brown, and members of the Committee, thank you for this opportunity to appear before you today. I am deeply honored the President has nominated me to serve as a Member of the Board of Governors of the Federal Reserve System. Because community banking is a vital and ongoing part of my family's legacy, I am also humbled that, if confirmed, I will be holding the position designated for someone with community banking experience.

I am also grateful to my family and my husband's family for their continued support and belief in me. My husband, Wes, our children Jack and Audrey, my sister Maggie, a school teacher in Kansas City, Missouri, and my parents, Jan and Hank White, are here with me today. My father, Hank, is a fourth generation banker, Vietnam veteran, and retired U.S. Air Force officer. My mother, Jan, is a great inspiration. She taught me that with hard work, anything is possible. My in-laws, John and Sherry Bowman and Sherry's 91-year old mother Mary Hopkins, could not be here with us today, but they are watching from home in Everest, Kansas.

My family and I have been in community banking for generations. In 1882, my great great grandfather, W.H. White, helped to charter the Farmers & Drovers Bank. The bank was named for the customers it served then and continues to serve today--the farmers and ranchers of the Flint Hills of Kansas. Today, the fourth and fifth generation of my family continue this long tradition of service through the bank and through active participation and volunteer work in our rural community of 2,300 people. I know firsthand that community banks are a vital part of the backbone of small, rural, agricultural towns and play a critical role in providing access to credit

and fostering economic activity in communities across our country. Without these institutions, many communities and many of our citizens will see their economic opportunities suffer significantly.

I joined my family's bank in 2010, and I learned the business from the front line to the back office. My most challenging role was as compliance officer--working with our small team to implement many of the new post-crisis regulations. Although the crisis revealed weaknesses in the U.S. financial system that needed to be addressed, I have witnessed firsthand how the regulatory environment created in the aftermath of the crisis has disadvantaged community banks. If confirmed, I will bring this perspective to my work at the Board to ensure that rules preserve the resiliency of the financial system, but are appropriately tailored to the size, complexity, and risk of an institution.

As a community banker, it was my job to support local businesses and consumers. This experience has given me a personal and deep understanding of how the Federal Reserve's goals of fostering maximum employment and stable prices directly affect the financial system and the broader economy. The dual mandate is critically important to our economy, businesses, families, and communities. If I am confirmed, I will be very focused on how we can do the best job possible to fulfill that mandate.

I currently serve as the Kansas State Bank Commissioner and our office oversees hundreds of state chartered banks, trusts companies, money transmitters, and other non-depository financial service institutions. Our mission is both proactive oversight and protection of the consumers our financial institutions serve. As commissioner, I am accountable to the people of Kansas. And as I carry out my regulatory mission, my goal is to treat every consumer and institution fairly, respectfully, and with open communication.

I believe the experiences I have described qualify me for this important role. If confirmed by the Senate, I will 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.