

Crapo Statement at Federal Reserve Oversight Hearing
Committee on Banking, Housing, and Urban Affairs
April 19, 2018

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the U.S. Senate Committee on Banking, Housing and Urban Affairs, delivered the following remarks at a hearing entitled “The Semiannual Testimony on the Federal Reserve’s Supervision and Regulation of the Financial System.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today we will receive testimony from Federal Reserve Vice Chairman of Supervision Randy Quarles regarding the efforts, activities, objectives, and plans of the Federal Reserve Board with respect to the conduct, supervision, and regulation of financial firms supervised by the Federal Reserve Board.

“Vice Chairman Quarles has done an excellent job so far, and I urge Congress to confirm him for his full term on the Board as soon as possible.

“Promoting economic growth remains a top priority for this Congress, and reducing the rate and cost of excessive and unnecessary regulation leads to more jobs, and enables a better functioning economy, and more consumer choices.

“As Vice Chairman for Supervision, Mr. Quarles plays a key role in developing regulatory and supervisory policy for the Federal Reserve System.

“I have been encouraged by statements both Federal Reserve Chairman Powell and Vice Chairman for Supervision Quarles have made about the need to revisit some of the Federal Reserve’s existing regulations.

“I was particularly encouraged by Vice Chairman for Supervision Quarles’s statements in January that the overarching objectives of his agenda are efficiency, transparency, and simplicity of regulation.

“I agree with these objectives.

“He highlighted the following initiatives as consistent with these objectives: revising capital rules applicable to community banks; extending the resolution planning cycle for certain banks; enhancing the transparency of stress testing; recalibrating the leverage capital ratio requirements; streamlining the Volcker Rule; tailoring liquidity requirements to differentiate between large, non-GSIBs and G-SIBs; revisiting the ‘Advanced Approaches’ thresholds; and reexamining the ‘complex and occasionally opaque’ framework for making determinations of “control” under the Bank Holding Company Act.

“Some of these initiatives are already underway, and I hope the others will be commenced and completed in the near future.

“I also hope that the Economic Growth, Regulatory Relief, and Consumer Protection Act makes it to the President’s desk soon.

“The primary purpose of the bill is to make targeted changes to simplify and improve the regulatory regime for community banks, credit unions, midsize banks and regional banks to promote economic growth.

“It affords the banking regulators, including the Federal Reserve, more flexibility to tailor regulations, and it will fall on your agency and others to interpret the bill.

“I look forward to working with the regulators to ensure their interpretations are consistent with Congress’s intent.

“I also welcome any additional color Vice Chairman Quarles can provide on areas where the Fed and Congress may act to further reduce regulatory burden.”

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