

Chairman Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
February 11, 2025 at 10:00 AM

Chair Powell, thank you for being here today, appreciate your willingness to have a chat with us about some of the really important issues facing our country.

Without question, the Federal Reserve serves a critical role in the function of our government and the global economy.

You have the ability to influence markets and directly impact the financial future of hundreds of millions of Americans.

That is why the Federal Reserve is supposed to be an independent institution free from politics.

But, in recent reality, the Fed has been susceptible to political pressure.

Take for example the Fed's involvement in the Network for Greening the Financial System, a group dedicated to green financing and climate change, which the Fed joined in December 2020 as President Biden was about to assume office.

Just last month, the Fed announced that it had pulled out of the organization as President Trump was getting ready to be sworn in.

To the American people, this is flip flopping in the political wind. Too much focus on climate change instead of supervision is consequential.

And in March, just two years ago, we saw the failure of Silicon Valley Bank.

SVB marked the third largest bank failure in U.S. history and the largest since the 2008 financial crisis. And yet, not a single federal regulator was held to account.

In fact, the FDIC filed a lawsuit against bank executives which accused the SVB of "egregious mismanagement." And I agree. How is it that no bank

supervisor has faced any consequences? With 30 MRAs and MRAs that never had timely action at SVB.

How can the people who are supposed to be our cops on the beat have not faced any recourse for such “egregious” failures. I simply don’t understand.

We must all address the fact that over the last four years, the Biden administration and Bidenomics have devastated, decimated, and destroyed hardworking families ability to support themselves.

During Joe Biden’s time in office, overall prices rose by over 20 percent, energy prices 34 percent, transportation costs 31 percent, groceries 22 percent.

But that’s not all.

Thanks to Bidenomics, two-thirds of Americans have less than \$1,000 – less than \$1,000 – in their savings accounts.

Here’s there is good news: things are going to get better.

During his first term, President Trump kept his promises to the American people.

In the first three years of his presidency, President Trump built the most inclusive economy ever.

Seven million jobs created, and two-thirds went to women, African Americans, and Hispanics.

It’s time to once again make America’s economy work for the folks working paycheck to paycheck.

Joe Biden and Kamala Harris broke our economy and Donald Trump will fix it.

For too long, bank regulators have followed black box regulatory frameworks with little to no recourse.

The FDIC, under President Trump's leadership, recently released never-before-seen supervisory documents, which confirmed that Biden's Operation Chokepoint 2.0 was real despite assurances that these unacceptable practices would end following the Democrats' first Operation Chokepoint 1.0.

We are seeing an unfair playing field that results in disastrous consequences for legal businesses and law-abiding citizens.

On one hand, if you are in the private sector and you do your job poorly, you would face consequences – reprimands, suspensions, or even being fired.

But if you are within the walls of the federal government, such as a bank regulator, you will face no consequences for your actions, even if you pressure a bank to cut off services to digital asset firms, political figures, and conservative-aligned businesses and individuals.

To me, that goes against the principles of fairness and market access.

Over the last two years, as the Ranking Member of this Committee, I have consistently argued that the Basel III Endgame proposal will raise costs and limit credit access for hardworking Americans.

And while I'm glad this proposal was not finalized, the uncertainty surrounding Basel III forced banks to put capital on the sidelines – limiting access to that capital for local and small businesses across the country.

Now, as Chairman, I plan to work to rectify the issues of the Biden administration.

Chairman Powell, I look forward to hearing from you on the Federal Reserve's future and the plans you have for rightsizing the financial regulatory frameworks, specifically around Basel III.

To create jobs here in America, we need to make sure there is capital and liquidity in the market.

And we also want all Americans, even those growing up in poverty like I did, to know they can access the capital necessary to start new

businesses, grow existing businesses, buy a home, and pursue their American Dream.

Chairman, I look forward to your comments and your testimony and I will simply say, that I believe that weaponizing an independent agency like the Fed for liberal positions – from debanking crypto, bank stress tests, and the green financing scheme – is not calling balls and strikes as a fair referee. And I hope that we are getting ready to clean that slate, start fresh, and focus on a healthy economy.