

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: May 12, 2016

Subject: May 17, 2016, Hearing Titled “Interest on Reserves and the Fed’s Balance Sheet.”

The Subcommittee on Monetary Policy and Trade will hold a hearing entitled “Interest on Reserves and the Fed’s Balance Sheet” on Tuesday, May 17, 2016 at 10:00 a.m. in Room 2128 Rayburn House Office Building.

This will be a one-panel hearing with the following witnesses:

- Dr. Robert A. Eisenbeis, Vice Chairman, Cumberland Advisors;
- Dr. Todd Keister, Professor of Economics, Rutgers University;
- Dr. George Selgin, Senior Fellow, Cato Institute; and
- Dr. John B. Taylor, Mary and Robert Raymond Professor of Economics at Stanford University

The hearing will examine how the Fed’s ability to pay interest on reserves was authorized, how increased reserve deposits facilitated an expansion of the Fed’s balance sheet, how the Fed’s asset purchases may be affecting credit allocation and economic performance, and how strategies to shrink the balance sheet might increase political pressures on monetary policy independence.

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