

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: October 30, 2015

Subject: November 4, 2015, Full Committee Hearing titled "Semi-Annual Testimony on the Federal Reserve's Supervision and Regulation of the Financial System"

The Committee on Financial Services will hold a hearing titled "Semi-Annual Testimony on the Federal Reserve's Supervision and Regulation of the Financial System" on Wednesday, November 4, 2015 in room 2128 of the Rayburn House Office Building. The sole witness will be the Honorable Janet Yellen, Chair of the Federal Reserve Board of Governors.

Title XI of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) made various governance changes to the Federal Reserve Act, including the creation of a new presidentially appointed, Senate-confirmed position on the Federal Reserve Board of Governors – the Vice Chairman for Supervision. Section 1108 of the Dodd-Frank Act requires the occupant of this position to develop policy recommendations for the Fed's prudential regulatory activities, to oversee the supervision and regulation of firms subject to the Fed's jurisdiction, and to testify semi-annually before the House Committee on Financial Services and the Senate Banking Committee "regarding the efforts, activities, objectives, and plans of the [Fed] with respect to the conduct of supervision and regulation of depository institution holding companies and other financial firms supervised by the [Fed]."

The President has not appointed an individual to be the Vice-Chairman of Supervision and, as a result, the Financial Services Committee has never received the testimony contemplated by Section 1108 of the Dodd-Frank Act. On May 18, 2015, Chairman Hensarling and Senate Banking Chairman Richard Shelby wrote to inform Chair Yellen of their intent to invite the Chair to appear semi-annually before both committees to testify on the matters specified in Section 1108 until the position of Vice Chairman for Supervision is filled. This hearing – the first of the hearings contemplated in the May 18th letter – is therefore separate and distinct from the Chair's statutory obligation to testify on the conduct of monetary policy under Section 2B of the Federal Reserve Act.