



## **MUTUAL ALERT**

### **Governor Bowman Testifies at Her Senate Confirmation Hearing**

Yesterday, April 10, 2025, Federal Reserve Governor Michelle Bowman testified before the Senate Banking Committee regarding her nomination as Vice Chair for Supervision. Governor Bowman advocated for a “pragmatic” approach to financial regulation, emphasizing the need to streamline the complex and overlapping regulatory framework. She highlighted the importance of simplifying rules, especially for smaller banks, and improving transparency and clarity from bank supervisors. Echoing Secretary Bessent’s speech earlier this week, she expressed the intention to reassess the final iteration of the Basel III international accord, aiming to ensure that U.S. banks remain competitive internationally without being overburdened by regulations. Endorsing “tailored regulation and supervision” she emphasized the need to reform and refocus supervision to better address core financial risks. She called for clear standards in supervision, stating that supervisory expectations should not surprise regulated firms. Lastly and importantly, she affirmed the importance of maintaining the Federal Reserve’s independence in monetary policy decisions, even in the face of external pressures.

Senator Tim Scott (R-SC) praised Governor Bowman’s commitment to accountability and transparency, expressing confidence in her ability to bring a balanced approach to regulation. Ranking member, Senator Elizabeth Warren (D-MA) expressed concerns over Governor Bowman’s deregulatory stance, particularly in view of recent financial market instability. She questioned Bowman’s reluctance to commit to immediate stress testing of large banks in response to economic uncertainties.

Governor Bowman’s testimony highlighted her commitment to a balanced regulatory approach that promotes financial stability while considering the operational realities of financial institutions. It is consistent with her statements to AMB and public comments on the need for mutual relief. We heartily support her confirmation and look forward to working with her in the future as she shapes FRB policies for supervising community banks.

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