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January 31, 2017

The Honorable Janet L. Yellen
Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Chair Yellen:

I am writing regarding the Federal Reserve's continued participation in international forums on financial regulation. Despite the clear message delivered by President Donald Trump in prioritizing America's interest in international negotiations, it appears that the Federal Reserve continues negotiating international regulatory standards for financial institutions among global bureaucrats in foreign lands without transparency, accountability, or the authority to do so.

This is unacceptable.

Continued participation in international forums such as the Financial Stability Board, the Basel Committee on Banking and Supervision, and the International Association of Insurance Supervisors is predicated on achieving the objectives set by the new Administration. That will likely require a comprehensive review of past agreements that unfairly penalized the American financial system in areas as varied as bank capital, insurance, derivatives, systemic risk, and asset management.

The secretive structures of these international forums must also be reevaluated. Agreements like the Basel III Accords were negotiated and agreed to by the Federal Reserve with little notice to the American public, and were the result of an opaque, decision-making process. The international standards were then turned into domestic regulations that forced American firms of various sizes to substantially raise their capital requirements, leading to slower economic growth here in America.

It is incumbent upon all regulators to support the U.S. economy, and scrutinize international agreements that are killing American jobs. Accordingly, the Federal Reserve must cease all attempts to negotiate binding standards burdening American business until President Trump has had an opportunity to nominate and appoint officials that prioritize America's best interests.

Sincerely,



Patrick McHenry
Vice Chairman
Financial Services Committee