Topic 100: think,help,thing

− So yes, we are quite willing to work with Congress to try to figure out exactly where the line should be. And outside the area of policy determination, we are quite open to working with you and the GAO to determine appropriate scope of oversight.
− I agree, but to the extent that you explain this to the public, and explain it loudly, more demonstrably, I think that they could then understand the need for the structural reforms. At this point, I don't think it is understood.

Topic 63: couple,issue,can

− Yes. Fortunately, we have not yet seen any impact on national consumer confidence from any of these issues. But it should not be an issue of consumer confidence; it should be an issue of doing something which is important for protecting consumers.
− There is a concern about what we are doing. FHFA has developed a pilot program with Freddie and Fannie to sell their REOs on a bulk sale. You saw that program, they are doing a pilot program on it.

Topic 65: policy,monetary,economy

− Fiscal policy has many different objectives. It affects the economy in a whole variety of different ways. And so, I wouldn't have stated that is the main goal of fiscal policy, but it is a goal that fiscal policy should take into account.
− I think we need a systematic policy, but I would strongly resist agreeing to follow any rule where the stance of monetary policy depends on only the current readings of two economic variables, which is what your reference rule relies on.

Topic 20: firm,authority,plan

− We will work with the FDIC to give these firms feedback on what we want to see them do to facilitate resolution. And of course, that is the objective. But although we are close, we have not even finalized feedback to the firms on their second round submissions.
− So we completely agree. It is very important for there to be a long−term debt requirement. Most of these firms in their living wills propose a resolution strategy that is similar to the FDIC's single point of entry strategy that they would use under Title 2.

Topic 89: rate,interest,low

− I think that both kinds of purchases affect interest rates broadly. Our purchases of Treasuries tend to push down mortgage rates as well. Some evidence suggests a differential impact, but it is very hard to think of these being discreet.
− I think some of us were also hoping you would add lower interest rates as a way of getting more affordable housing since, if you look at the little book about what you pay monthly, it is very markedly affected by what the interest rate is. Senator Bayh.

Topic 1: give,can,feed

− We have been working on this problem for quite a while. The alternatives available to us should Treasury debt effectively go to zero, are quite numerous and we do not see any technical problems in being able to implement monetary policy.
− Maybe it has to do with the use of unusual special measures to deal with the debt limit. There are various things they can do, to give some extra space. Maybe that is what is happening, so it is not being counted in the debt.

Topic 58: income,american,low

− You know, I think it is tied into history, to our history, and there are higher levels of poverty in the African American community, as you know, and that is because of our history. But we would like to see those gaps declining more than they are.
− Until a month or two ago, the Vice Chairman of the Federal Reserve was an African−American, and he just left recently to retire from that position. A number of our highest−level economists and policy advisors are African− American or other minorities.

Topic 38: policy,effect,change

− Well, again, there is the problem of deciding how much of the effect comes from the structural changes that underlie the changes in unionization patterns and how much comes from changes in unionization propensity itself. So, I do not really know how much effect that would have.
− Mechanically, and I'm not endorsing any particular program for Katrina recovery, but building and reconstruction do add to economic activity, and it's one of the reasons why 2006 may be a bit stronger than we otherwise thought.

Topic 90: increase,decline,demand

− And I think that the decline in residential property prices may have impaired that borrowing route for some small businesses. It wouldn't show up in these numbers, but generally access to business loans looks to me by most metrics to be quite adequate.
− Yes, sir. The policy is a conditional policy. It says, based on what we know now, this is where we think we are going to be. But of course, if there is a substantial change in the outlook, we would have to adjust accordingly.