

**Congress of the United States**  
**Washington, DC 20515**

October 20, 2015

The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Democratic Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Majority Leader  
U.S. House of Representatives  
H-107, The Capitol  
Washington, D.C. 20515

The Honorable Steny Hoyer  
Minority Whip  
U.S. House of Representatives  
H-148, The Capitol  
Washington, D.C. 20515

Dear Speaker Boehner, Leader Pelosi, Majority Leader McCarthy, and Minority Whip Hoyer:

We write to raise concerns regarding legislative proposals that would reduce dividend payments on required Federal Reserve stock until there is greater examination of the issue and an understanding of the implications that such a statutory change might have on the banking system.

Existing law requires that all Fed member banks must purchase stock issued by their Federal Reserve Bank as a condition of their membership in the Federal Reserve System. In return, they receive a six percent dividend on the stock. It is important to note this stock does not carry with it the typical features of common stock. For example, member banks cannot sell Federal Reserve Bank stock or pledge it as collateral. After paying its operating expenses and dividends owed to member banks, each Federal Reserve Bank funds a capital surplus account. Any remaining earnings are transferred to the Department of the Treasury.

We believe that any potential modifications to the current stockownership structure of the Federal Reserve Banks should be thoroughly studied and analyzed to help ensure that Congress understands the policy implications of any changes. In fact, when testifying before the Senate Banking Committee in July, Federal Reserve Chair Yellen stated that the change “could conceivably have unintended consequences” and that “it deserves some serious thought and analysis.” Consistent with that, the Chairman of the Financial Services Committee has written to the Government Accountability Office (GAO) to request a study of the policy, the historic rationale for requiring member banks to hold Federal Reserve Bank stock, the federal budgetary implications of reducing the six percent dividend rate, and broader questions such as whether member bank ownership of Federal Reserve Bank stock should be voluntary rather than mandatory and whether the stock itself should be permanently retired.

Until GAO completes its work and the congressional committees of jurisdiction have an opportunity to review the significant public policy questions at issue, we believe that changes to the Federal Reserve dividend rate are premature.

Sincerely,




Bill Huizenga  
Member of Congress




Bill Foster  
Member of Congress



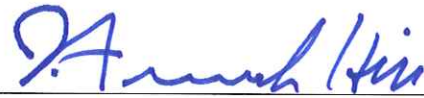
Andy Barr  
Member of Congress



Luke Messer  
Member of Congress



Frank D. Lucas  
Member of Congress



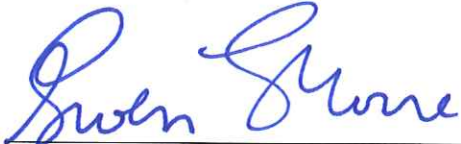
J. French Hill  
Member of Congress



Brendan F. Boyle  
Member of Congress



Marlin A. Stutzman  
Member of Congress



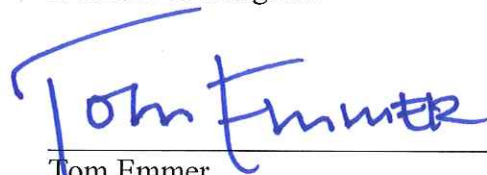
Gwen Moore  
Member of Congress



Edward R. Royce  
Member of Congress



Mia B. Love  
Member of Congress



Tom Emmer  
Member of Congress



Charles W. Boustany, Jr., MD  
Member of Congress



Rob Bishop  
Member of Congress



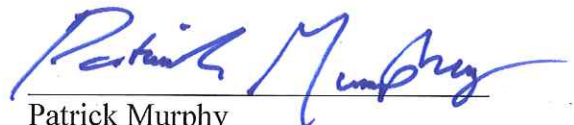
Bill Flores  
Member of Congress



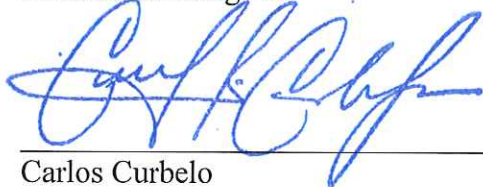
Sean Patrick Maloney  
Member of Congress



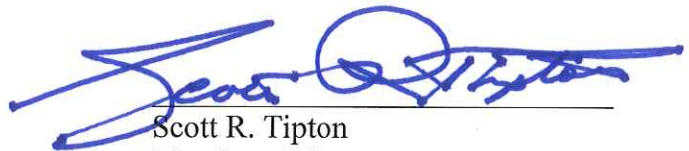
Terri A. Sewell  
Member of Congress



Patrick Murphy  
Member of Congress



Carlos Curbelo  
Member of Congress



Scott R. Tipton  
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Daniel M. Donovan, Jr.  
Member of Congress



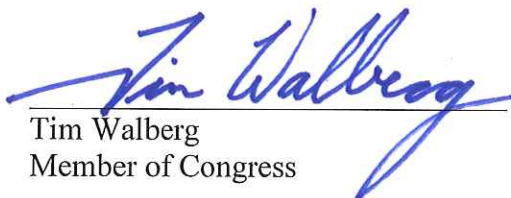
Gerald E. Connolly  
Member of Congress



Robert J. Wittman  
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Mark Walker  
Member of Congress



Tim Walberg  
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Trent Kelly  
Member of Congress





Gregory W. Meeks  
Member of Congress



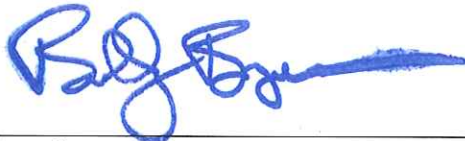
David Scott  
Member of Congress



Steve King  
Member of Congress



Chris Stewart  
Member of Congress



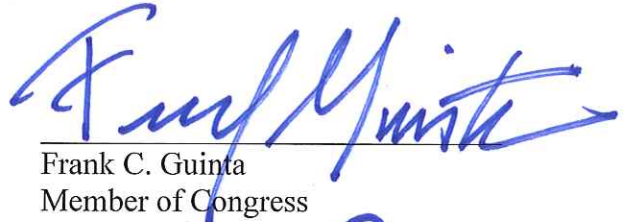
Bradley Byrne  
Member of Congress



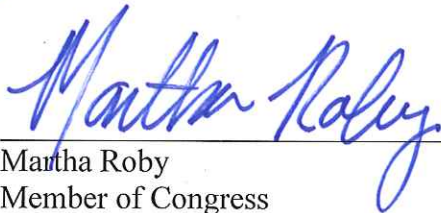
Mo Brooks  
Member of Congress



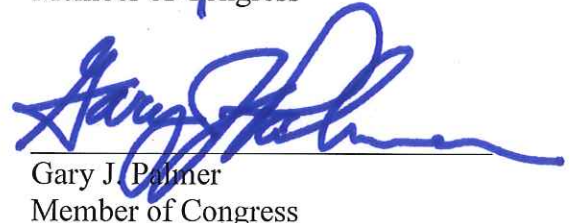
John R. Carter  
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Frank C. Guinta  
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Martha Roby  
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Gary J. Palmer  
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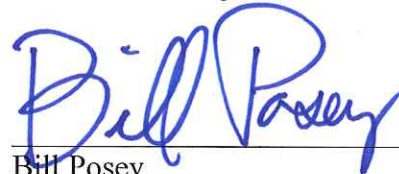
Lou Barletta  
Member of Congress



Norma J. Torres  
Member of Congress



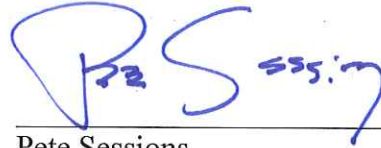
Randy Hultgren  
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Bill Posey  
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Jim Cooper  
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Pete Sessions  
Member of Congress



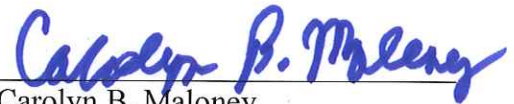
Steve Stivers  
Member of Congress



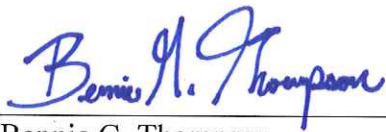
Rubén Hinojosa  
Member of Congress



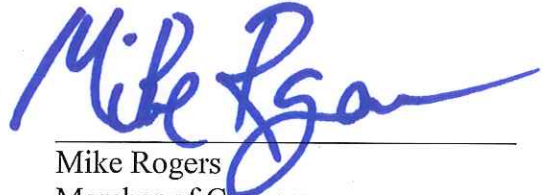
Brad Ashford  
Member of Congress



Carolyn B. Maloney  
Member of Congress



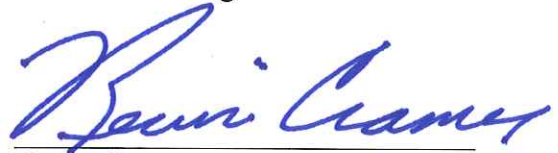
Bennie G. Thompson  
Member of Congress




Mike Rogers  
Member of Congress



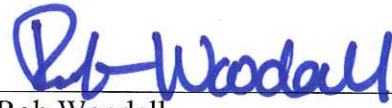
Sean P. Duffy  
Member of Congress



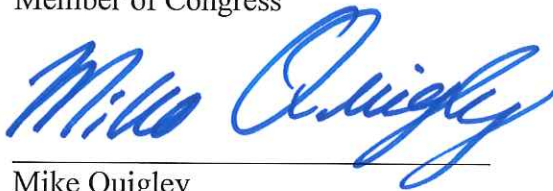
Kevin Cramer  
Member of Congress



Scott DesJarlais  
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Rob Woodall  
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Mike Quigley  
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Dennis A. Ross  
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Rick W. Allen  
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Blaine Luetkemeyer  
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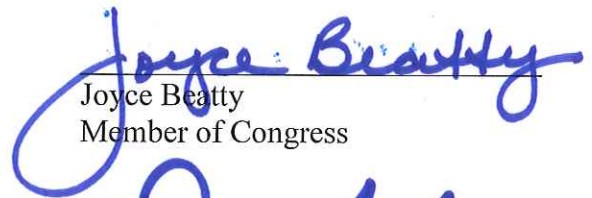
Robert B. Aderholt  
Member of Congress



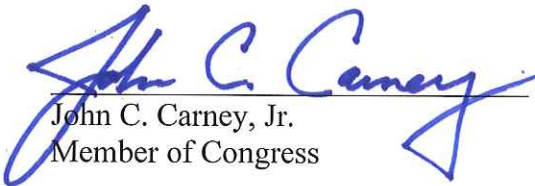
Steven M. Palazzo  
Member of Congress



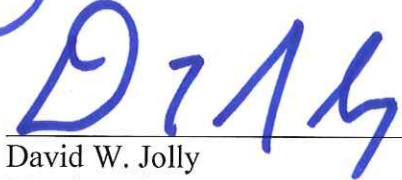
Kevin Yoder  
Member of Congress



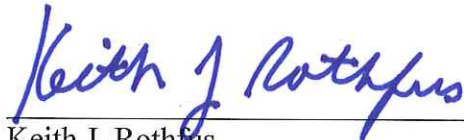
Joyce Beatty  
Member of Congress



John C. Carney, Jr.  
Member of Congress



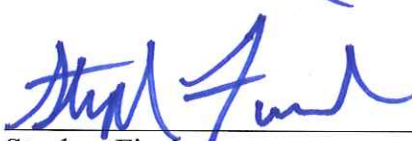
David W. Jolly  
Member of Congress



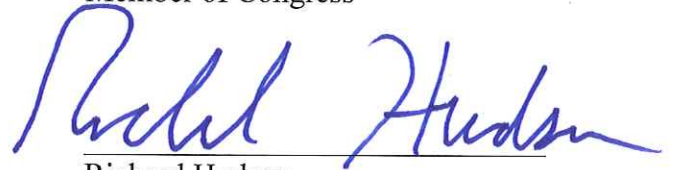
Keith J. Rothfus  
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Ed Perlmutter  
Member of Congress



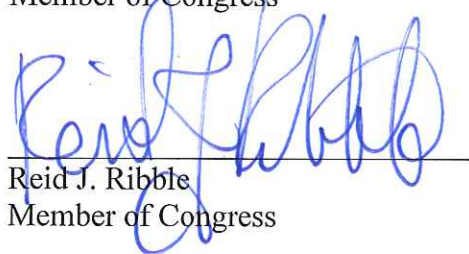
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Reid J. Ribble  
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Dave Brat

Dave Brat  
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Lamar Smith

Lamar Smith  
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Mike Bishop

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Bruce Poliquin

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Derek Kilmer

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Danny K. Davis

Danny K. Davis  
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Jody B. Hice

Jody B. Hice  
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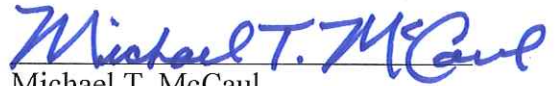
Steve Womack  
Member of Congress



Rod Blum  
Member of Congress



Ander Crenshaw  
Member of Congress



Michael T. McCaul  
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Roger Williams  
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Mick Mulvaney  
Member of Congress



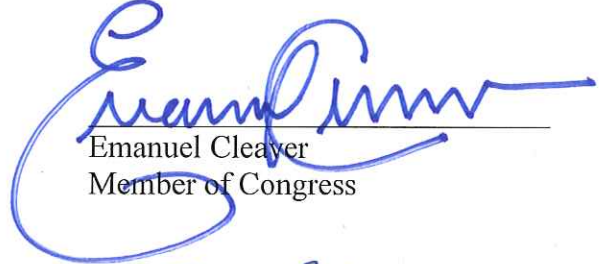
Gregg Harper  
Member of Congress



David Schweikert  
Member of Congress



Pete Aguilar  
Member of Congress



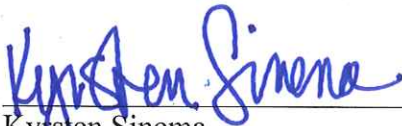
Emanuel Cleaver  
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David A. Trott  
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Louie Gohmert  
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Kyrsten Sinema  
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Doug Lamborn  
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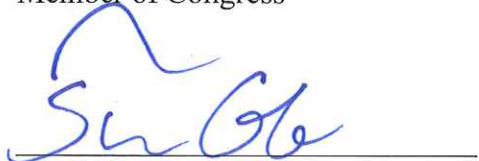
Stevan Pearce  
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Susan W. Brooks  
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Gwen Graham  
Member of Congress



Tom Cole  
Member of Congress



Theodore E. Deutch  
Member of Congress



Ryan Zinke  
Member of Congress



John R. Moolenaar  
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Robin L. Kelly  
Member of Congress



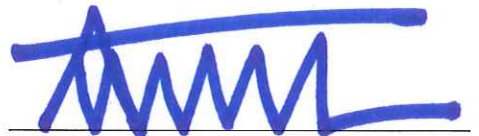
Kathleen M. Rice  
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Richard M. Nolan  
Member of Congress



Ann M. Kuster  
Member of Congress



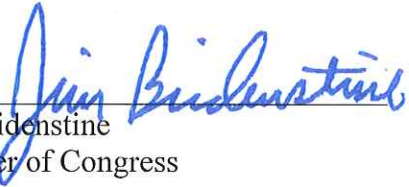
Ted Poe  
Member of Congress



Robert Hurt  
Member of Congress



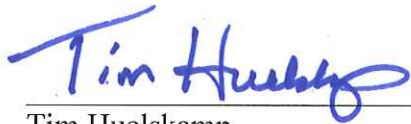
John B. Larson  
Member of Congress



Jim Bridenstine  
Member of Congress



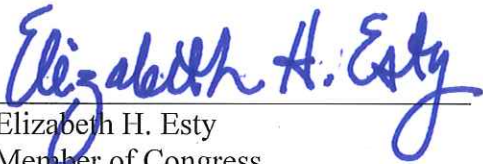
Rodney Davis  
Member of Congress



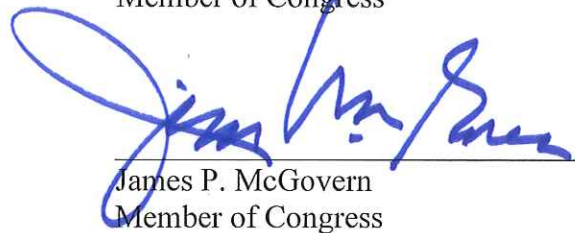
Tim Huelskamp  
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Chris Collins  
Member of Congress



Elizabeth H. Esty  
Member of Congress



James P. McGovern  
Member of Congress



Cedric L. Richmond  
Member of Congress



David G. Valadao  
Member of Congress



Markwayne Mullin  
Member of Congress



Ralph Lee Abraham, MD  
Member of Congress



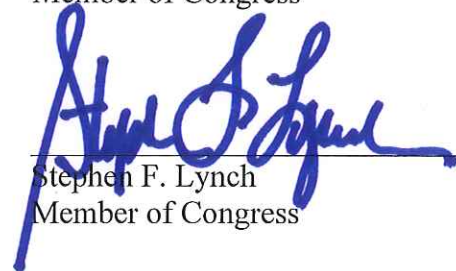
Jaime Herrera Beutler  
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Will Hurd  
Member of Congress



Gus Bilirakis  
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Stephen F. Lynch  
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Glenn Grothman  
Member of Congress



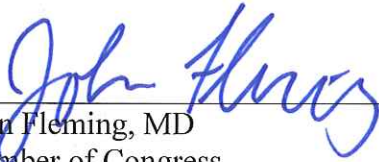
Mario Diaz-Balart  
Member of Congress



Ted S. Yoho  
Member of Congress



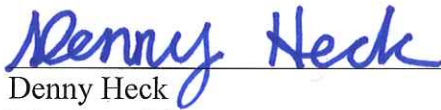
Joe Wilson  
Member of Congress



John Fleming, MD  
Member of Congress



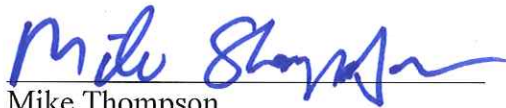
Jackie Walorski  
Member of Congress



Denny Heck  
Member of Congress



Daniel T. Kildee  
Member of Congress



Mike Thompson  
Member of Congress



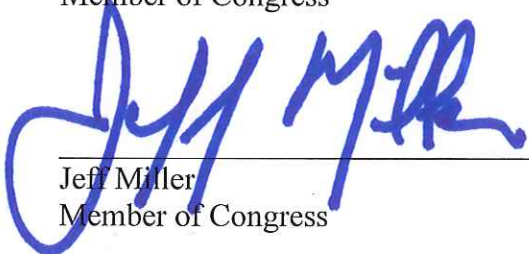
Erik Paulsen  
Member of Congress



Marsha Blackburn  
Member of Congress



Kurt Schrader  
Member of Congress



Jeff Miller  
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John Ratcliffe  
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*Vicky Hartzler*

Vicky Hartzler  
Member of Congress

*Joe Pitts*

Joseph R. Pitts  
Member of Congress

*Kathy Castor*

Kathy Castor  
Member of Congress

*Joe Kennedy III*

Joseph P. Kennedy, III  
Member of Congress

*Sanford D. Bishop Jr.*

Sanford D. Bishop, Jr.  
Member of Congress

*Frederica S. Wilson*

Frederica S. Wilson  
Member of Congress

*Seth Moulton*

Seth Moulton  
Member of Congress

*Mike Simpson*

Michael K. Simpson  
Member of Congress

*Scott Garrett*

Scott Garrett  
Member of Congress

*Todd C. Young*

Todd C. Young  
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*Michael G. Fitzpatrick*

Michael G. Fitzpatrick  
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*Wm. Lacy Clay*

William Lacy Clay  
Member of Congress