

Bachus Welcomes Federal Reserve Action to Reduce Interest Rate Paid on Reserve

December 16, 2008

Congressman Spencer Bachus, Ranking Member of the House Financial Services Committee, applauded the Federal Reserve action today to lower the interest rate they pay on required and excess reserve balances.

Ranking Member Bachus said, "Last week I wrote to the Federal Reserve asking them to reexamine their policy because of my concern that it may be discouraging banks from lending. Today's action to lower the interest rate paid on reserves is an important step that will encourage banks to get capital off the sidelines and into the game. It is my hope that this change in interest rate will help get banks to stop hoarding cash and start lending again."

[Click here to see the letter Ranking Member Bachus sent to the Federal Reserve.](#)

###