[Name of the Writer]

[Name of Instructor]

[Subject]

[Date]

Article Critique

The article talks about talk about some of the reasons that how Federal Reserves are always going to be the main part of the economic discussion about the economy and the financial situation at the given point of time. During the course of the article, it talks about how some of the reforms of the nation’s banking system is supposed to be carried out. It has always been speculated that the Federal Reserves are always used to make depict the fact that how they are reflective of the monetary policy of the nation at the given point of time. The other thing that is being talked about during the article is that what is the decision-making rationale by FED and how the decision making is being done in this regard.

In the next section, the article talks about how the banking system that controls the reserves works out. The idea behind the Federal Reserves is to make sure that the proper monitoring of the economic condition is being done. The idea behind is to make sure that some sort of insight is being provided with regards to how the overall aspect of the national criticism is supposed to be done. The article sheds light about how the structure of the banks is another thing that is talked about in the article. The FED chair meetings that discuss about how the policy making is being done at the broader level and how the money supply and demand is controlled by these banks. Generally, higher interest rates encourage banks to leave more money at the Federal Reserve, therefore reducing the amount of money that the bank is willing to lend. For the loans that they do issue, such as mortgages and other consumer credit, banks will also raise rates and thus increase borrowing costs across the economy.

The other thing that is being talked about during the course of the article is that how the FED is supposed to set an interest rate for given point of time. The idea that is being given during the article is that how the determination and how are the ripple effects supposed to be working out at the given point of time. The article sheds light on the role of the Federal bank and how much of a critical role that it performs when it comes to making sure that the certain sense of stability is being maintained in the economy at the particular point of time. It talks about how the FED’s policies are supposed to be working out where it sets the rate for the reverse repurchase program and how the it tends to ensure that the weeds in the system are being determined in an appropriate manner.

The article then provides insight about how the interest rates are not only tool that are being used during the course of the financial crisis as there are some other tools that are at the disposal of the economists to make sure that the sense of insight is developed in terms of how the crisis is being controlled. The idea that is being talked about here is that how much of an effort is carried out to make sure that the economic balance is maintained and the role that treasury tends to perform during the course of the whole process. After the financial crisis, the Fed took on trillions of dollars in assets to absorb the negative shock of the mortgage collapse. As part of an effort to stop the contagion of the housing market, the Fed booked a large amount of agency mortgage-backed securities and agency debt in a strategy of unconventional monetary policy called “quantitative easing.”

Works Cited

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