

Good federal reserve system essay example

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Every country has a core or central banking system that regulates all financial activities in the economy. The Federal Reserve System, more commonly known as the FED operates in the United States. The system was first developed in 1913 and has evolved ever since. The Federal Reserve website includes information about the board of governors from the time of its inception. There is detailed information available about conducting business with the board. The FED website provides a direct link for companies to register. Each subsection of the report includes a frequently asked questions section. This makes it easier for the concerned individual to understand the website, and answer their queries. Regulating monetary policy is one the core function of the FED. The website provides detailed information of the members of this committee, and the details discussed during these meetings.

The section on banking information and regulation includes information about the various policies which govern the banks. Each subsection of the website includes information about the meetings that were conducted addressing the concerned issue. For instance; the discussions of the meeting held over the Volker rule are available for public use. Furthermore, there are statistics and research available which the FED conducts. These researches support the policies of the institution. There is a section dedicated to the customers solely. In this section, the customer can gain an insight to all the matters that concerns them. This includes issues such as; credit card details, identity theft information, leasing, frauds and scams, and many other. Apart from this, there are details available upon the community service which FED is involved in, and the projects which have been successful.

The article "Consumer Experiences with Credit Cards" is available on the publications section on the website. The article basically discusses the importance and convenience of credit cards. It has helped consumers enjoy the luxury of buying on credit, and also rewards them for buying using their credit cards. The fluctuations in the economy has not spared the credit sector; hence, affecting credit card consumers. Consequently, the Credit Card Act which was passed in 2009 has altered many of the terms and condition which were previously legal. This has restricted customer rights and has affected their purchasing power. Apart from this, certain changes have affected the card issuer as well. Some of the changes include: limits on penalty fees on late payments, rules on creditor allocation of consumer payments, limits on the interest charged (Canner, Elliehausen, 2012).

The economic recession was majorly caused by the credit market operators. Hence, I believe the changes in the regulatory system of the credit card sector are going to be fruitful for the economy as a whole. There was a dire need to manage and control credit card issuers as well as users. The Federal Reserve has taken a wise decision in imposing restrictions on the banks and the customers. As the credit card industry includes other institutions apart from banks such as; gas companies and stores the FED is indirectly controlling the entire economy. Adding on, ensuring people are paying on time and debt does not build up the shortening of payment periods is a good decision. Even though, many people have been critical of these changes but the Federal Reserve System has implemented these for the benefit of the company.

References

Canner, G. B., & Elliehausen, G. (n. d.). Federal Reserve BULLETIN. FRB: Federal Reserve Bulletin. Retrieved February 11, 2014, from <http://www.federalreserve.gov/pubs/bulletin/2013/articles/consumer-experiences-with-credit-cards/default.htm>

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