Loretta Mester's Interview Answers are below – the interviewer Questions have been Omitted

"Well, I think we're entering a period now where the Fed policy, the funds rate is just entering a restrictive stance. So that's the way I like to think about it. We moved rates up very expeditiously, we did four 75 basis point raises in a row, we're up 375 basis points on the year. And right now we're at a point where we are going to enter a restrictive stance of policy. At that point, I think it makes sense that we can slow down a bit, the pace of increases. We're still going to have to raise the funds rate, but were at a reasonable point now where we can now be very deliberate in setting monetary policy to get back to price stability and be more judicious in balancing the risks so as to minimize that pain of that journey back to price stability. And so, that's how I see the next phase of policy."

"So, I don't think we're anywhere near to stopping though, in terms of slowing and eventually pausing. We still have more work to do because we need to see inflation really on a sustainable downward path back to two percent. We've had some good news there on the inflation front, but we need to see more good news and sustained good news to make sure that we're returning to price stability as quickly as we can for the economy."

"No, when I come on your show, I'm not trying to channel anyone except my own views because I think its really important for people to hear what a policymaker, how they're framing their own decisions. So that's why I like to be out there. I'm not an elected official and I think I owe it to the public that I represent so they understand how I'm thinking.

"But I am thinking that we need to see more positive news on the inflation front. I'm very grateful that we've seen some of that. I think policy is beginning to do its work and of course our policy, by tightening monetary policy our aim is to slow down and moderate demand so it becomes into better balance with supply, both in product markets and in labor markets so that we don't leave any price pressures. I think we're beginning to see some of that working. We've certainly seen a broader tightening in financial conditions."

"And, now the question is, how do we calibrate our policy to continue to get that good news on inflation so that we are back to two percent so we can return to price stability. It will take some time but I'm hoping that we continue to see that positive news and we're just going to have to continue to do some work, I believe, to get the funds rate into a restrictive stance and an appropriately restrictive stance so that we get back to two percent inflation."

"So, I don't think the market expectation is really off. If you remember in September, subsequent to the September meeting, I had a little bit stronger inflation forecast for next year than the median SEP and so I had a somewhat higher policy path than the median policy path. So right now, we're in the process of preparing for the December FOMC meeting and in the December meeting there will be another set of projections. I do think we have to get into restrictive territory.

"My view is that we are just basically entering restrictive territory and then we'll have to see. We need to bring rates up further, I believe and we said that in our last FOMC statement at our last meeting in early November, that we expected the Fed funds rate will have to move up further. And then we have to be judicious about evaluating and letting the economy tell us, you know, is inflation indeed moving down in a timely way or do we have to even more rates higher and where will that be."

"So again, we're moving into a different cadence of policy now that we are entering into restrictive territory that we're going to be more letting the data and when I say data, I also mean the information we gathering from talking to firms and businesses and labor market people and community development people because that's more forward looking. Some of our data lags and we don't want to just be basing policy on lagged data. We really want to be forward looking. And that's why having our Fed banks distributed across the country is really important because we get a really good group of forward looking indicators to really assess how the economy is doing."

"I think we can slow down from the 75."