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United States Senate

COMMITTEES:
AGING
BANKING, HOUSING,
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FINANCE
HEALTH, EDUCATION, LABOR,
AND PENSIONS
SMALL BUSINESS AND ENTREPRENEURSHIP

December 13, 2021

The Honorable Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

The Honorable Martin Gruenberg
Director
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Director Chopra and Director Gruenberg:

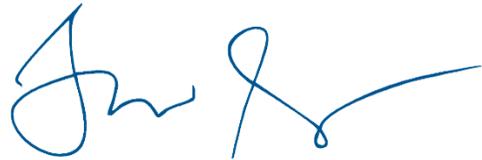
As an independent federal financial regulator, the Federal Deposit Insurance Corporation (FDIC) is charged with carrying out a mission of maintaining “stability and public confidence in the nation’s financial system.” The illegitimate and unprecedented actions you each took last week in an attempted plot to appropriate the authorities granted by FDIC bylaws to the agency’s Senate-confirmed Chairman, Jelena McWilliams, directly undermine the institution’s ability to execute its statutory mission. I am deeply concerned that such a flagrant alleged usurpation could be a dangerous attempt to politicize the independent and historically apolitical practice of federal bank regulation – a grave threat not only to stable and unbiased oversight of the banking industry, but also to the public trust the FDIC’s mission tasked each of you as Board members to uphold.

I agree with the assessment by the FDIC that the attempted vote to approve a draft proposal to solicit public comment on the agency’s bank merger review process was not valid and without legal effect. The FDIC has longstanding internal Board bylaws and procedures that provide the Chairman the authority to set the Board’s agenda, as well as established policies regarding the issuance of documents for publication in the Federal Register. The actions taken last week not only ignore decades of institutional precedent, they appear to be in violation of agency policies.

In the near century of the FDIC’s existence, no Board members have displayed such disregard for the agency’s well-established internal policies and procedures related to the management of its regulatory agenda. The lack of respect for institutional norms and professional courtesy these actions showed is astounding. Over the course of her career, Chairman McWilliams has established an impressive reputation as a good faith negotiator and dealmaker, all while staying true to her core principles. Moreover, throughout her FDIC tenure, she has been a consummate consensus builder.

I strongly urge each of you to immediately cease and desist these unprecedented efforts. I again remind you, these actions are in direct conflict with your obligation as Board members to “maintain stability and public confidence in the nation’s financial system.” Further attempts to supersede Chairman McWilliams’ powers and responsibilities as the Senate-confirmed leader of the FDIC outside of the agency’s standard procedural channels will be reviewed carefully.

Sincerely,



Tim Scott
United States Senator

Cc: Hon. Jelena McWilliams, Chairman, Federal Deposit Insurance Corporation
Mr. Michael J. Hsu, Acting Comptroller, Office of the Comptroller of the Currency
Hon. Janet L. Yellen, Secretary, U.S. Department of the Treasury