



December 20, 2021

The Honorable Jelena McWilliams
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

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

The Honorable Michael Hsu
Acting Comptroller
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20024

Dear Members of the Board of the Federal Deposit Insurance Corporation:

We write to express our concern regarding the recent public disagreements about the management of the Federal Deposit Insurance Corporation (FDIC).

The FDIC's mission is to maintain stability and public confidence in the financial system, which is grounded in the willingness of its independent board members to act as honest brokers who strive to build consensus. Financial stability is critical for a sound, thriving economy. Policies undergirding our well-capitalized banking system have proven critical for depositors and businesses to navigate the COVID-19 pandemic. The recent managerial disagreements endanger the precedents that ground effective policymaking by the FDIC and could subject the agency to wide swings of political opinion in the future. Such an outcome would harm depositors and the millions of businesses that rely on the U.S. banking system.

For almost 90 years, the FDIC Board has functioned without major controversy under the leadership of Chairs appointed by Presidents of both major political parties. While Board members have regularly had healthy disagreements on substantive matters of banking regulation, the process of working together and publicly demonstrating respectful deference to the direction of the Chairman has always been the norm. The structure of the Board is intended to maintain a level of moderation on regulatory matters regardless of which party is represented in the White House.

Recent partisan actions designed to circumvent the Chairman are a threat to the public's trust in the agency's independence. Public officials—especially members of an independent agency's board—should be mindful of their duty to work collaboratively and rise above partisanship, especially in a time of stark political divisions.

If the actions taken by some FDIC board members involved any coordination with the White House, it would call into question the Chevron deference currently enjoyed by your respective independent agencies. We took note of the anonymous quote from a White House

official noting the Board should “move forward with its action here”¹ on an item singled out in the July 2021 Executive Order on “Promoting Competition in the American Economy.”² We addressed this broader concern in the letter you each received from the U.S. Chamber of Commerce on November 19, 2021 on “Legal implications of White House interactions with independent agencies.”³

The safety and soundness of our financial system depends in large part on clear-headed regulators who put forth proposals that are shaped by input from all stakeholders, including Board members with a diversity of perspective and differences of opinion. The U.S. Chamber of Commerce encourages the members of the Board to build consensus on matters of importance to the banking industry and the small businesses and consumers that depend on it. Partisan, public disputes on matters of process and procedure among the FDIC Board could imperil confidence in the institution whose mission is to inspire assurance that the bank deposits of Americans are safe.

We encourage all FDIC Board Members to work in an honest and collegial manner, especially on matters where they disagree.

Sincerely,

A handwritten signature in black ink, appearing to read 'TK' with a long, sweeping underline.

Tom Quaadman
Executive Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

¹ <https://www.politico.com/news/2021/12/10/trump-bank-regulator-uprising-democrats-524115>

² <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/07/09/executive-order-on-promoting-competition-in-the-american-economy/>

³ <https://www.uschamber.com/regulations/letter-on-the-legal-implications-of-white-house-interactions-with-independent-agencies>