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Michelle Bowman's Actions and Testimony Prove She Should Not Be Fed Vice Chair for Supervision

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Federal Reserve ("Fed") Governor Michelle Bowman has been nominated to one of the most important financial regulatory roles in the United States and, indeed, the world—Vice Chairman for Supervision of the Board of Governors of the Fed. This position was created to ensure that the 2008 financial crash ("2008 Crash") never happened again and that the Fed is prioritizing the protection of Main Street Americans and the safety and soundness of the banking system. When considering her qualifications and suitability for this role, one should review her actions and read her statements. Unfortunately, much of what she has said as Governor sounds as if it has been said by a lobbyist for Goldman Sachs or one of the other Wall Street megabanks, not a community banker or one who is appropriately focused on protecting the safety, soundness, and stability of the banking system, or the best interests of Main Street Americans.

On April 10, 2025, the Senate Banking Committee ("Committee") held a hearing to discuss Governor Bowman's qualifications for this vitally important role. Unfortunately, Gov. Bowman's testimony during that hearing showed that she will not prioritize protecting Main Street Americans, that she will not properly regulate Wall Street's biggest banks, and that she will not enact rules to prevent another catastrophic 2008 Crash. In fact, the policies and priorities that she testified she will promote and support will almost certainly make another financial crash more likely.

The dangers that Gov. Bowman brings as Vice Chair for Supervision are not theoretical. In fact, she has already hired two Wall Street lobbyists and a Goldman Sachs Vice President for her staff. This clearly demonstrates that Wall Street interests, not Main Street interests, will be the priority for her and the Fed if she is confirmed.

Remember, the Vice Chair for Supervision during the first Trump administration ignored the lessons of the 2008 Crash and broadly deregulated large banks (as detailed here). That contributed to the 2023 banking crisis, $40 billion in bailouts, and all-in costs exceeding $300 billion. Gov. Bowman's actions and statements show a similar toxic combination of support for deregulation and disregard for the law, which will almost certainly result in another catastrophic financial crash that will undoubtedly inflict widespread misery across the country.

This Fact Sheet details evidence from Gov. Bowman's actions, voting record, testimony, and statements, which should be disqualifying for any nominee for Vice Chair of Supervision at the Fed.

Governor Bowman's Actions and Voting Record

The list below details ten ways in which ***Governor Bowman has been advocating policies and positions that favor*** the most dangerous Wall Street megabanks, rather than being focused on ensuring that those banks are properly regulated, Main Street Americans are properly protected, and the banking industry in supporting Main Street families, community banks, small businesses, and economic growth more broadly.

1. BOWMAN IS WALL STREET MEGABANK ADVOCATE: Even though Bowman is the statutorily required representative for community banks, she has consistently prioritized the interests of large financial institutions over the needs of community banks and Main Street Americans.

There is nothing that Wall Street bankers like ***less*** than regulators and rules, no matter how modest or necessary, so the fact that Wall Street banks are applauding Bowman's nomination as Vice Chair should be viewed by every family and small business on Main Street as a major red flag. The applause is because those banks know that Bowman has proven over and over and over that she is a friend of Wall Street and will do everything she can to fight for regulations that are as weak and toothless as possible.

For example, she criticized Dodd-Frank Act regulations, saying that they are backward-looking, interfere with banks' ability to function as businesses, and increase costs for banks. Moreover, after the 2023 banking crisis, she opposed changes to the regulatory framework, saying that higher capital requirements would be too costly for banks, even though it is clear that the 2023 bank failures were the result of Silicon Valley Bank and other banks not having enough capital. She has even opposed bank capital reform internationally, highlighting the costs for banks' derivatives and swaps activities— Wall Street banks always want regulators to focus on their costs, rather than the costs and threats to Main Street Americans of undercapitalized banks.

Indeed, Bowman reassured the banking industry with her statement accepting the Vice Chair nomination that she will be pushing looser and fewer rules, albeit under Wall Street's favorite guise of claiming "a transparent and tailored bank regulatory framework that encourages innovation." Those are Wall Street megabank talking points for deregulation, light-touch regulation, and as little policing as possible.

2. BOWMAN IS A DEREGULATION CHAMPION: Bowman has consistently supported reductions in regulations without regard to the fact that deregulation actually increases risk for Main Street Americans.

Bowman often speaks in support of the great Wall Street lobbying euphemism of regulatory "tailoring." At its core, tailoring simply means ***reducing financial safety rules*** for very large and dangerous banks because they claim they are less complex or risky than the megabanks. This is incorrect and baseless for two reasons.

First, while this may sound like a smart approach that benefits community banks, the recent tailoring had nothing to do with community banks. Rather, it applied to complex, risky, and dangerous large banks (even if smaller and less dangerous than the very largest banks) and was taken too far, ultimately causing costly and irreparable damage. For example, in 2018, regulations such as those that require stress testing and the creation of living wills were changed so that they only applied to banks with $250 billion or more in total assets rather than the prior size limit of $50 billion. This exempted 26 of the largest 41 banks in the country from some of the most key financial protection rules, including banks that actually ***were*** proven to be systemically important in the 2023 banking crisis, namely Silicon Valley Bank. Bowman also supported reductions in core protections for the financial system, such as liquidity requirements, despite warnings from other Fed Governors of the dangers of such actions.

Second, cries for tailoring are usually accompanied by claims that regulators apply a "one size fits all" approach rather than "tailoring" regulations to the size, complexity, and risk of the particular bank. This claim has been false from the start because the regulators have always tailored their supervision; no community banks are being regulated or supervised like JPMorgan Chase or Goldman Sachs. Moreover, as Better Markets has detailed, prior dissents and statements show that support for deregulation among the Fed Board of Governors was not unanimous.

Bowman has also become a master at sowing seeds of fear and impeding action. For example, she has frequently cited the need to consider incremental burdens or measure the combined effect of all regulations. This has become an incredibly effective tool to delay action, to the benefit of the megabanks and the detriment of Main Street Americans. Don't get us wrong: real community banks are vitally important to Main Street Americans, and if Bowman were focused on policies supporting those banks, we'd have a different view. However, contrary to the occasional claims, those banks have not been her focus, and her statements support policies that would most often be detrimental to community banks.

3. BOWMAN IS AGAINST STRONGER CAPITAL REQUIREMENTS FOR THE LARGEST BANKS: Bowman has pushed back against proposals to reduce financial system vulnerability by requiring banks to have more capital.

The only thing standing between a failing megabank, a catastrophic crash, and bailouts is the amount of capital that megabank has to absorb its own losses. That's why it is so important for the largest banks to have adequate capital—it's one of the most important financial protection rules to prevent another 2008 Crash and the economic wreckage that was caused across the country, including to community banks, as the Great Recession killed the economy. When the GAO looked at the "causes and consequences of recent community bank failures" in 2013, it found, "between January of 2008 and December 2011, 414 insured U.S. banks failed. Of these, 85% (353) were small institutions with less than $1 billion in assets." Anyone seriously concerned with protecting community banks—and the communities they support—would be aggressively supporting adequate capital at the biggest, most dangerous megabanks.

Yet, not only did Bowman vote against higher capital requirements when the Basel Endgame rule was proposed in July 2023, but she has also continued to oppose the need for higher capital and impede the necessary work to increase capital requirements for the largest banks. Before the capital rule proposal was even released, she was fighting it, saying in June 2023, for example, that it would hurt bank competition, constrain lending, and increase costs. She also claims there are unintended consequences from higher capital requirements, but fails to mention the clear consequences that result from undercapitalized banks, including bank failures and taxpayer-funded bailouts. Finally, and perhaps most problematic, she continues to suggest that higher capital rules for the largest Wall Street banks will seep into the regulatory regime for community banks. This is baseless and blatantly false because the proposed rule only applies to the largest banks in the country. Such fearmongering—a key tactic of the megabanks to enlist community banks to their side and act against their own best interests—is only serving the largest banks by stirring up more doubt around the necessity of the rule and dragging community banks into a debate that does not apply to them.

4. BOWMAN OPPOSES ROBUST STRESS TESTING FOR LARGE BANKS: Bowman has resisted stronger stress testing requirements that ensure Wall Street banks can withstand economic shocks.

Stress tests have been one of the most important and effective financial protection tools used by the Fed since the 2008 Crash. While Bowman says that she supports the concept of stress testing, she has heavily pushed changes that she says will increase "fairness and transparency" of the testing framework, but will actually undermine, if not destroy, the usefulness of the stress testing program. Importantly, she is promoting "fairness and transparency" ***that will benefit Wall Street banks***, not the public, the public interest, or even community banks. The changes she supports will only serve to weaken the effectiveness of the stress tests severely. Giving Wall Street banks even more information than the large amount that is already disclosed would increase their ability to game the system. It's like giving someone the answers before giving them the test—while the test takers will score well, the test itself will be useless, and the test results will be meaningless.

This is not a theoretical concern. Importantly, the megabanks have been caught gaming before, taking concrete action to avoid and undermine other financial protection rules. Parroting industry talking points, Bowman has also raised baseless concerns around the "volatility" of the stress test results, an inherent feature that helps to bolster resiliency to the uncertainty of the source of stress. This laid the groundwork for the Fed's December 23, 2024, announcement of changes that will erode the stress testing framework in favor of Wall Street banks.

5. BOWMAN DOES NOT SUPPORT THE SUPERVISORY PROCESS: Bowman says that financial data and ratios are more important and trustworthy than expert supervisory assessments.

Bank examiners and supervisors are highly trained experts who complete years of training to safeguard the financial system and banks, in service to the American people. Bowman has cast doubt on the value of supervisory assessments, saying, for example, that there is an "odd mismatch between financial condition and overall supervisory condition as assessed by the prudential regulators." She is implying that financial metrics are more trustworthy than expert supervisory assessments. This is wrong.

Financial metrics only tell a small part of the story, and they miss the most important part—how banks are doing at managing their risks. Uncovering areas where there are serious deficiencies in bank risk management is essential to catching problems before they metastasize into crises. A bank can meet its regulatory metrics while still having serious internal issues that will cause material risks to build up over time. Not only does the approach that Bowman advocates discredit bank supervisors, but it also has a chilling effect from the highest levels of leadership. This practice—driven by a similar approach spearheaded by Vice Chair Quarles—was directly cited as a cause of the 2023 bank failures.

At Silicon Valley Bank, for example, examiners were required to bring more and more evidence to their managers, and even then were sometimes not trusted or believed. As was shown by the 2023 failures, this "kinder, gentler approach" to bank examinations allowed risk to build and led to eventual failure and taxpayer-funded bailouts. Another important lesson of the 2023 banking crisis is that it is imperative that the banking supervisors know that the Vice Chair for Supervision is going to support them and back them up when they come under pressure from the bank executives. In the lead-up to the 2023 banking crisis, the supervisors had good reason to believe that the Vice Chair for Supervision at the time, who led the deregulation of the banks, would back up the bank executives, not them. That belief guarantees ineffective supervision, bank failures, and needless bailouts. Governor Bowman's statements suggest she will repeat the mistakes of the past and not support the supervisors.

6. BOWMAN SUPPORTS THE CRYPTO INDUSTRY'S PENETRATION OF THE BANKING SYSTEM: Bowman has supported the misleading and dangerous debanking narrative, which exposes the banking system to severe risks related to crypto activities.

In her nomination acceptance, as well as in other public statements, Bowman has strongly supported what she calls "innovation." While genuine innovation is important and beneficial for banks and the American public, not everything referred to as "innovation" is good or, for that matter, even innovative. For example, the invention of the Ponzi scheme was an innovation, but it has only caused enormous financial losses to countless Americans. Naked credit default swaps, synthetic collateralized debt obligations ("CDOs"), and CDO^2 are all also so-called innovations, but they too are of questionable, if any legitimate value, and all contributed to the 2008 Crash. Crypto falls into this category of so-called innovation; after 17 years, there is still no ***legitimate use*** for crypto, but there are many predatory, illegal, and criminal uses. Regardless of whether there is some legitimate use for crypto discovered some time in the future, right now, allowing it into the banking industry is dangerous, costly, and very high risk. Nevertheless, Governor Bowman has supported the baseless industry-led claims of crypto debanking, which has in fact been no more than regulators engaging in proper risk analysis, regardless of where the risks come from.

Fortunately, to date, the crypto carnage has largely been kept out of the traditional banking and financial system, ***though the few banks that did engage in crypto and venture capital activities were among the most distressed in the 2023 banking crisis***. Unfortunately, however, that is changing with recent announcements by the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency that, notwithstanding crypto's disreputable track record, now welcome crypto into the banking system. Main Street Americans need a strong Vice Chair who recognizes the many risks of crypto and is willing to prioritize the stability and safety of the banking system, not the wishes of the politically powerful crypto industry; Bowman has not shown herself to be that person.

7. BOWMAN PRIORITIZES BANKS OVER CONSUMER PROTECTION: Bowman has downplayed the importance of fair lending enforcement, raising concerns about discrimination in banking.

While Bowman says that she supports community development and fair lending, her actions tell a different story. In 2023, she was the only member of the Fed Board of Governors to vote against the Community Reinvestment Act ("CRA") final rule. However, her objections were not the same as those raised about whether the rule would actually meet the stated goals of combatting discrimination and increasing credit availability to low- and moderate-income communities. Instead, Bowman worried about the ***burden on banks*** to lend to underserved communities. She also raised concerns that the share of banks that are poorly rated for CRA would rise to 10% under the new rule from about 1% under the existing rule. Without citing evidence, she said that this was a problem with the proposed rule itself rather than an indication of shortcomings in the lending activities of banks—an incorrect assessment considering the enhanced framework under the proposed rule.

8. BOWMAN HAS OPPOSED POLICIES THAT PROTECT THE BANKING SYSTEM AGAINST CLIMATE-RELATED FINANCIAL RISK: Bowman has dismissed concerns about climate-related financial risks, ignoring the potential threats they pose to the economy.

Banks, especially large and systemically important banks, must be held accountable for managing all risks, regardless of the source. Unfortunately, Bowman has consistently impeded efforts to require Wall Street banks to do just that—recognizing, managing, and mitigating climate-related financial risk. For example, in 2023, she voted against the banking agencies issuing climate-related financial risk management guidance for large banks, saying that it has unclear expectations and unintended consequences. This is even more egregious because this was just guidance, meaning that it wasn't even enforceable. Also, in 2025, Bowman voted in favor of the Fed leaving the Network of Central Banks and Supervisors for Greening the Financial System. Denying climate-related financial risks to the banking system will not make them go away, as has been made clear by the years of interagency support for climate-related financial risks being a threat to financial stability.

9. BOWMAN HAS RESISTED MAKING MERGER REVIEWS MORE RIGOROUS: Bowman's resistance to increasing regulatory scrutiny on mergers favors the Wall Street Banks, not Main Street Americans.

With regard to bank mergers, Governor Bowman has wrongly taken the side of Wall Street banks and the banking industry, with the view that regulatory scrutiny should be reduced because the reviews are too slow. However, reducing the review period or the robustness of the review comes at the expense of appropriate scrutiny. Additional scrutiny of proposed mergers is often necessary, especially regarding something as important as the effects of a merger on local communities, which is where Governor Bowman's focus should be. This review process should not be considered a burden on banks, but rather a necessary part of the process that not only meets the statutory requirements but also helps to minimize adverse consequences of bank mergers involving Wall Street Banks encroaching on communities across America.

Governor Bowman demonstrated her allegiance to the banking industry and her willingness to ignore harm to consumers and threats to financial stability with her vote to approve the merger between Capital One and Discover, despite warnings from Better Markets and many others representing the public interest. This merger will create the largest credit card lender in the country. It will also harm Main Street Americans, small businesses, the economy, and financial stability. We need a Vice Chair who will be able to clearly understand and weigh these risks rather than simply side with the Wall Street banks.

10. BOWMAN'S OPPOSITION TO STRONG THIRD-PARTY RISK MANAGEMENT STANDARDS FOR BANKS HURTS BANKS AND CONSUMERS: Banks are increasingly partnering with third parties, especially fintech companies, for a range of products and services that benefit banks and customers. But, as the recent Synapse debacle showed, when these third-party arrangements are not managed properly, banks and consumers lose money and suffer irreparable harm.

Banks are increasingly involved in third-party partnerships with fintech companies. These services range from mobile payment apps, to lending to deposit placement arrangements, and more. However, fintechs are almost entirely unregulated and therefore their users are exposed to serious risks, including crippling financial losses. Bowman opposed interagency guidance that would hold banks accountable for strengthening and improving third-party risk management, saying that it would be too onerous for small banks. This is wrong and dangerous for multiple reasons.

First, smaller banks are just as exposed and vulnerable to risky fintech partnerships as larger banks. A Treasury study showed that ***two-thirds of all banks*** entered into fintech partnerships between 2018 and 2021, so ignoring or minimizing the evolution and prevalence of third-party partnerships and their risk is a big mistake.

Second, Bowman failed to recognize the devastating consequences that bank-fintech partnerships have for consumers, banks, and financial stability when they go bad. The recent Synapse debacle—in which up to $95 million in customer funds is still missing—proves that weak, insufficient, or missing regulations for bank-fintech partnerships lead to consumers losing their money and suffering irreparable harm.

Evolve Bank, which had less than $2 billion in total assets, partnered with Synapse. According to the Fed, examinations conducted in 2023, before the Synapse bankruptcy, found that Evolve Bank was operating with unsafe and unsound banking practices. Evolve Bank did not have an effective risk management program, did not comply with anti-money laundering rules, and did not protect its customers. But the Fed did not issue an enforcement action directing the bank to make changes until after the bankruptcy happened and customers lost their money. This is just one example of the widespread harm that results from even a relatively small bank having deficient third-party oversight. Of course, if such a problem had occurred at a larger bank, the consequences would have been even worse and more far-reaching, potentially also damaging financial stability.

Governor Bowman's Testimony

The list below details the concerns raised by Governor Bowman's April 10, 2025, testimony, which should be disqualifying for any nominee for Vice Chair of Supervision at the Fed.

1. BOWMAN'S INABILITY TO STATE THE REALITY OF TRUMP'S CHAOTIC TARIFF POLICY: Bowman was asked to discuss how the Trump tariffs would affect the financial system. She was unable—or unwilling—to do so.

During the Hearing, Senator Warren asked Governor Bowman, "In what ways could President Trump's tariffs and their economic effects threaten the stability of our financial system?" Governor Bowman's response to this question was to simply say that the economy is strong. This is an inadequate answer from someone who is being considered to lead our nation's banking regulatory system. Anyone watching the events in April 2025 or the basic evening news should be able to connect the Trump Administration's tariffs to the historic levels of financial instability that the country is experiencing. For example, across four trading days from April 3 to 8, the S&P 500 lost more than 12% of its value, a near record and historic decline, and the markets for U.S. Treasury securities – arguably the most important markets in the world – have been experiencing troubling volatility. In contrast, just six days later, Fed Chair Powell provided a much clearer and starker articulation of the economic damage that the tariffs have done and have the potential to do. As Better Markets detailed, financial markets across the board clearly recognize the grave threat of the Trump administration's chaotic tariff policy.

Despite Senator Warren repeating the question four times, Governor Bowman would only go so far as to say that the effects of the tariffs are unclear. Such reckless disregard for market events that directly and negatively impact banks and their counterparties shows either a lack of knowledge on the subject or a choice to put politics over duty. Either way, this is not what the American people and the financial system need in terms of economic analysis from a Vice Chair for Supervision.

2. BOWMAN'S REFUSAL TO RUN APPROPRIATE STRESS TESTS ON THE LARGEST BANKS: Bowman was asked if she planned to run a stress test to gauge the health and resilience of

the largest banks in response to the historic market volatility resulting from Trump's tariffs. She would not agree to this, despite the precedent set by former Vice Chair for Supervision Quarles running emergency stress tests in the wake of the COVID pandemic.

The Vice Chair for Supervision must be able to recognize risks to the banking system, react to market conditions that indicate stress, and respond or change course based on this information. Governor Bowman did not display this ability in the hearing.

At the hearing, Senator Warren detailed how the Trump Administration's erratic tariff rollout has already caused financial instability and asked Governor Bowman if she would be willing to run a stress test on the megabanks to understand whether they can withstand a "deep and prolonged recession triggered by a massive trade shock." Stress tests are utilized and required for exactly that purpose – to assess if the largest banks in the country can withstand such a stress event, and so the results of a stress test at this time are vital.

Governor Bowman would not commit to running such tests and only said that the Fed would continue its existing stress test regime. However, sticking to the standard stress test schedule will be ineffective in understanding banks' resilience to the current tariffs because the Fed's stress tests are only run once per year, based on data from the prior year. Furthermore, as Better Markets has detailed, the Fed's stress test program has been systematically and severely weakened in recent years, and there are efforts underway to weaken the tests even further. Simply put, this is an insufficient and dangerous approach, particularly considering the precedent from recent history when Vice Chair for Supervision Quarles ran an emergency stress test on the largest banks to understand their vulnerability to the COVID pandemic.

Later in the hearing, in an attempt to defend Governor Bowman, Senator Tillis recalled that former Fed Vice Chair Barr did not run an emergency stress test in response to the 2023 banking crisis. However, due to the deregulation under former Vice Chair Quarles, the stress test doesn't apply to the size of banks that experienced turmoil in 2023, and so the Fed could not have run such a test on those banks. Additionally, the current tariff policy is a completely different breed of economic and financial stress. The current tariff policy problem is an external shock to the banking industry and could spark a recession. Megabanks' vulnerability to such a shock needs to be understood so that policymakers and supervisors can take action to protect the financial system and the American people.

3. BOWMAN'S WALL STREET-FOCUSED VIEW OF CAPITAL REQUIREMENTS: Bowman said that the Fed needs to reconsider the Basel agreement and capital requirements to ensure that U.S. banks are on a level playing field with the rest of the world, rather than developing capital requirements that protect Main Street Americans, the economy, and the financial system against bank failures and bailouts.

Senator Kennedy asked Governor Bowman about her thoughts on capital requirements for the largest banks and the Basel III Endgame. In response, Governor Bowman said that "[the Fed needs to] take a fresh look at the . . . Basel agreement and determine what's appropriate for U.S. banks and their ability to have a level playing field." This is a misguided and dangerous approach to capital requirements because capital requirements exist to promote a safe and sound banking system and prevent financial crashes and bailouts, not to make sure that our largest banks are "competitive."

The Vice Chair for Supervision should instead focus on the fact that our economy, banking system, and the American people depend on capital requirements that ensure banks can serve their communities in good times and bad. That requires banks to have an adequate capital cushion to absorb their losses during times of stress without failing, causing contagion, or precipitating a financial crash.

U.S. banks have long argued that it is unfair if they face higher capital requirements than their foreign bank competitors, because it gives those foreign banks an advantage. This proved to be wrong when the stronger post-2008 Crash U.S. banks outperformed large foreign banks, in large part because of the greater financial strength that resulted from regulatory requirements they had fought so hard against.

4. BOWMAN'S UNWILLINGNESS TO DEFEND THE FED'S INDEPENDENCE: Bowman was asked how she would handle attacks on the Fed's independence and did not provide a clear answer.

Senator Warner asked Governor Bowman about her thoughts on the Fed's independence, with regard to monetary policy and rulemaking. President Trump has repeatedly attacked and questioned the need for Fed independence. Governor Bowman's response minimized and ignored the threats, saying that "we haven't seen that happen yet."

Senator Reed continued the questioning regarding Fed independence, citing efforts by the Office of Management and Budget and the Treasury Department to "involve themselves in Fed affairs," including Treasury Secretary Bessent's plans to lead banking regulatory rulemaking. Rather than clearly stating that the Fed must maintain its independence, Governor Bowman said that the banking regulators should work together on rulemaking and policy efforts. This is an entirely misleading statement, as it already is the standard for the banking regulators to work together on rulemaking, and her response only served to sidestep and avoid the question. The fact that Governor Bowman was unwilling to take a clear stand to defend the Fed's independence is alarming.

5. BOWMAN'S DISREGARD FOR THE LAW, PARTICULARLY RELATED TO COST-BENEFIT ANALYSIS: Bowman stated that even though cost-benefit analysis is not required, she would do it anyway.

Preventing crashes is always much less expensive than trying to stop, mitigate, or clean up after they happen. The truth is that rules to protect consumers, investors, and financial stability do cost money, but cost-benefit analysis insufficiently recognizes and minimizes costs to the public interest that are often qualitative rather than quantitative. That being said, even quantitative analyses (here, here, and here) show that financial crashes are more costly than the efforts to prevent them. The bottom line is that cost-benefit analysis often becomes singularly focused on costs to the banking industry and often entirely omits, or at least understates and subordinates, the public interest.

The fact that Governor Bowman clearly stated that she plans to implement cost-benefit analysis, even though it is not required, is a dangerous statement, as it always will favor the industry. Moreover, this is not the path toward achieving a higher bar for Fed decision-making. Quite the opposite, it is stacking the deck in favor of the industry that will lobby relentlessly to inflate its anticipated cost, relative to the public interest.

6. BOWMAN'S UNWILLINGNESS TO SAY THAT FIRING BANK SUPERVISORS THREATENS SAFETY AND SOUNDNESS IN THE BANKING INDUSTRY: When asked about how the sweeping cuts to regulatory agency staffing would affect the agencies' ability to carry out their duties and protect the financial system, Bowman refused to answer clearly.

Bank supervisors who are employed at the Fed and the other banking agencies are well-trained experts who provide vital assessments of the safety and soundness of every bank in the country. Their work provides the reassurance and foundation for the trust and confidence that Main Street Americans have in the financial system, to entrust their savings to banks. While regulations set standards for risk management and buffers for stressed periods, supervision is necessary to identify risks before they become catastrophic issues.

Senator Alsobrooks asked Governor Bowman how the indiscriminate and aggressive firings, implemented by the Trump Administration in the name of efficiency and cost savings, affect the ability of the Fed and other banking regulators to appropriately oversee the banking system. Governor Bowman was unwilling to agree with Senator Alsobrooks' statement and would only go so far as to say that she wants to conduct a review of the staffing in the supervision and regulation functions at the Fed.

In conclusion, as Better Markets has detailed, Governor Bowman's track record of statements, actions, and votes indicates clear and unmistakable support for the interests of the banking industry, particularly Wall Street banks. What she said, as well as what she didn't say, at the April 10, 2025, nomination hearing only served to underscore the concerns that all Americans should have with her becoming the next Vice Chair for Supervision.[1]

[1] These many concerns were identified at a hearing designed to prevent the full questioning of Gov. Bowman. Gov. Bowman was one of six nominees being considered by the Committee for key positions in government agencies at this hearing, leaving grossly insufficient time to review her record. The question-and-answer portion of the hearing lasted less than two hours, meaning that the Committee spent an average of less than 20 minutes questioning each nominee. This is in direct contrast to the nomination hearing for former Fed Vice Chair for Supervision Barr, who was one of three nominees being considered for positions on May 19, 2022. Not only was there limited time for each Committee member to ask questions, but Governor Bowman received questions from only 10 of the 24 Committee members. This limited opportunity to question and consider the nominee for such a key position is a disservice to the American people and the banking system, especially given the current fragile and volatile condition of the financial markets.

Governor Bowman’s Staff Appointments

Governor Bowman has hired two Wall Street bank lobbyists and a Goldman Sachs Vice President for her staff at the Fed. This is a slap in the face to the American people who have suffered grievously from the Fed’s past failures to properly and adequately regulate and supervise Wall Street’s biggest and most dangerous banks. These hires make it clear that Wall Street’s wishes will once again be the Fed’s priorities, and that another financial crash is inevitable.

That’s what happened in the early 2000s when the Fed’s misguided belief that Wall Street could regulate itself directly led to the catastrophic 2008 crash. That’s why the position of Vice Chair for Supervision at the Fed was created in the Dodd-Frank Act: so that the Fed would prioritize protecting Main Street families, the financial system, and the economy from the excesses and high-risk activities of Wall Street. Instead, the Fed is putting the ‘kinder, gentler treatment’ for the banks that happened during Trump’s first administration (and which directly caused the 2023 banking crisis) on steroids. For the so-called ‘community banker’ on the Fed to do this and de facto hand over the regulation of Wall Street to Wall Street adds insult to injury.

What the Fed, Wall Street, and its many allies fail to understand is that tension, if not conflict, between Wall Street’s profit-maximizing banks and regulators responsible for protecting Main Street is inevitable, healthy, and, indeed, a sign of success. The interests of Wall Street and Main Street may overlap at times, but as former Morgan Stanley CEO John Mack acknowledged, Wall Street simply “cannot control” itself and regulators have to step in and “control [Wall] Street.” When the Fed and other regulators fail to do that, when they let Wall Street regulate Wall Street as they have in the past, crises, crashes, and bailouts are inevitable. That’s what’s going to happen again as a result of the Fed abdicating its duties to protect Main Street from Wall Street: America is going to suffer from another horrific crash in the coming years because Wall Street regulating itself is just a different way of saying Wall Street won’t be properly regulated.

Appendix A:

Selected Speeches by Governor Bowman

- **February 17, 2025** – "Brief Remarks on the Economy and Accountability in Supervision, Applications, and Regulation" at the American Bankers Association 2025 Conference for Community Bankers. *In this speech, Governor Bowman criticizes the supervisory process and calls for the rollback of Dodd-Frank Act regulations.*

- **February 5, 2025** – "Bank Regulation in 2025 and Beyond" at the Kansas Bankers Association Government Relations Conference. Governor Bowman presented identical remarks on February 7, 2025, at the 2025 Wisconsin Bankers Association Bank Executives Conference and on February 11, 2025, at the 2025 Iowa Bankers Association Bank Management and Policy Conference. *In this speech, Governor Bowman promotes tailoring, emphasizes the cost of bank regulation, and criticizes stress testing.*

- **January 31, 2025** – "Brief Remarks on the Economy, and Perspective on Mutual and Community Banks" at the New England CEO Summit. *In this speech, Governor Bowman highlights the cost of regulation to banks, calls the regulatory framework "a threat to a bank's viability," and dismisses climate-related financial risk.*

- **January 9, 2025** – "Reflections on 2024: Monetary Policy, Economic Performance, and Lessons for Banking Regulation" at the California Bankers Association 2025 Bank Presidents Seminar. *In this speech, Governor Bowman promotes deregulation, including tailoring, criticizes the supervisory process, and supports weakening the bank stress testing framework.*

- **November 22, 2024** – "Artificial Intelligence in the Financial System" at the 27th Annual Symposium on Building the Financial System of the 21st Century: An Agenda for Japan and the United States. *In this speech, Governor Bowman says that regulators should not rush to regulate artificial intelligence and instead allow banks to innovate.*

- **September 10, 2024** – "The Future of Stress Testing and the Stress Capital Buffer Framework" at the Executive Council of the Banking Law Section of the Federal Bar Association. *In this speech, Governor Bowman calls for changes to the stress testing framework for the largest banks that would make the tests easier for banks to manipulate and game, which in turn makes the results less useful.*

- **June 26, 2024** – "The Consequences of Bank Capital Reform" at the International Swaps and Derivatives Association Board of Directors. *In this speech, Governor Bowman rejects the need to strengthen capital requirements, says the rulemaking process is too narrow, and supports broad and material changes to the Basel Endgame capital proposal.*

- **June 25, 2024** – "Perspectives on U.S. Monetary Policy and Bank Capital Reform" at the Policy Exchange, London, England. *In this speech, Governor Bowman details her opposition to the*

Basel Endgame capital proposal, including how the proposal would harm underserved communities and how insufficient capital was not a cause of the 2023 bank failures.

- **May 10, 2024** – "Financial Stability Risks: Resiliency and the Role of Regulators" at the Texas Bankers Association 2024 Annual Meeting. *In this speech, Governor Bowman warns of the cost of overregulation and criticizes the Basel Endgame capital proposal.*

- **February 27, 2024** – "Reflections on the Economy and Bank Regulation" at the Florida Bankers Association Leadership Luncheon Events. *In this speech, Governor Bowman discusses her opposition to the Basel Endgame capital proposal, explains why she opposed the Community Reinvestment Act final rule, and details her opposition to climate-related financial risk guidance.*

- **February 12, 2024** – "Defining a Bank" at the American Bankers Association 2024 Conference for Community Bankers. *In this speech, Governor Bowman says that supervision is a source of risk for banks because supervisory standards are excessive, volatile, and unpredictable.*

- **January 17, 2024** – "The Path Forward for Bank Capital Reform" at Protect Main Street, sponsored by the Center for Capital Markets at the U.S. Chamber of Commerce. *In this speech, Governor Bowman opposes the need for more capital and warns of the cost of more capital to banks and bank customers.*

- **November 9, 2023** – "Remarks on the Economy and Prioritization of Bank Supervision and Regulation" at the New York Bankers Association's Financial Services Forum. *In this speech, Governor Bowman criticizes the Basel Endgame capital proposal and details what she calls negative consequences of the proposal, including reduced credit availability or increased cost of credit, which disproportionately harm underserved communities. She says that bank customers will bear the cost of these increases.*

- **June 25, 2023** – "Responsive and Responsible Bank Regulation and Supervision" at the Salzburg Global Seminar on Global Turbulence and Financial Resilience. *In this speech, Governor Bowman criticizes the Fed's postmortem report of Silicon Valley Bank, says that the proposed capital rules will unnecessarily hinder bank lending and reduce competition, and broadly discusses deregulation.*

Additional speeches can be found on the Board of Governors of the Federal Reserve System website.

Appendix B:

Selected Votes and Dissents by Governor Bowman

- **April 17, 2025** – Governor Bowman **voted for** the merger of Capital One and Discover. This decision creates one of the largest banks in the country and the largest credit card lender. Better Markets and others representing the public interest strongly opposed this merger because it will raise consumer costs, reduce competition, and endanger financial stability.
- **January 16, 2025** – Governor Bowman **voted for** the Federal Reserve's withdrawal from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)
- **July 25, 2024** – Governor Bowman supported the publication of the Request for Information related to bank-fintech arrangements but said this **should not be construed as support for rulemaking related to the topic that may restrict innovation in the banking system**.
- **March 20, 2024** – Governor Bowman **voted for delaying** implementation of the Community Reinvestment Act final rule, saying that the rulemaking process was "rushed, overly complex, and unwieldy."
- **October 24, 2023** – Governor Bowman **voted against** climate-related guidance for large banks, saying that it would be confusing and result in increased cost and burden for banks without a commensurate improvement to the safety and soundness of financial institutions or the financial stability of the United States.
- **October 24, 2023** – Governor Bowman **voted against** the Community Reinvestment Act final rule, saying that the rule is overly complex, will increase the cost of compliance for banks, and will have unintended consequences of reduced investment in underserved communities.
- **August 29, 2023** – Governor Bowman **voted against** proposing guidance for large banks' living will requirements.
- **July 27, 2023** – Governor Bowman **voted against** proposing the rule that would implement the Basel III capital endgame for large banks because it deviates from the international standards.
- **June 5, 2023** – Governor Bowman **voted against** issuing final guidance for bank third-party risk management.
- **March 21, 2021** – Governor Bowman **voted to confirm** that supervisory guidance does not have the force and effect of law and that agencies do not take enforcement actions based on supervisory guidance. This weakens the effectiveness of supervision.
- **October 10, 2019** – Governor Bowman **voted for** the tailoring rules that weaken the capital, liquidity, and resolution planning requirements for the largest banks.

Additional votes can be found on the Board of Governors of the Federal Reserve System website.

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Better Lives | Better Communities

Better Markets is a public interest 501(c)(3) non-profit based in Washington, DC that advocates for greater transparency, accountability, and oversight in the domestic and global capital and commodity markets, to protect the American Dream of homes, jobs, savings, education, a secure retirement, and a rising standard of living.

Better Markets fights for the economic security, opportunity, and prosperity of the American people by working to enact financial reform, to prevent another financial crash and the diversion of trillions of taxpayer dollars to bailing out the financial system.

By being a counterweight to Wall Street's biggest financial firms through the policymaking and rulemaking process, Better Markets is supporting pragmatic rules and a strong banking and financial system that enables stability, growth, and broad-based prosperity. Better Markets also fights to refocus finance on the real economy, empower the buyside and protect investors and consumers.

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