White House Letter on FDIC Board Seat Nominations

COMMENT LETTER

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May 21, 2024
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The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20510

Dear Mr. President:

As you consider potential nominees for Chairperson of the Federal Deposit Insurance Corporation (FDIC),[1] we recognize the critical responsibility any new leader must shoulder to provide FDIC employees with a professional, diverse, and inclusive work environment free of discrimination and harassment. Restoring public trust is vital for the FDIC to fulfill its mission to maintain stability and confidence in our financial system.

In addition to an individual with the sense of urgency and leadership skills necessary to reform the FDIC culture, the Conference of State Bank Supervisors[2] recommends a chairperson with state bank supervisory experience, consistent with the requirements of the Federal Deposit Insurance Act.[3] States charter and supervise nearly 80% of all banks in this country – most of which are jointly supervised with the FDIC. An individual with state supervisory experience on the FDIC Board will help provide the necessary knowledge, perspective, and balance to ensure the continued strength of our nation's dual-banking system.

Many current and former state regulators have the practical regulatory and supervisory experience to effectively oversee the thousands of FDIC-insured and supervised banks. They also have the professional experience to manage a diverse, deployed workforce and lead the FDIC through a cultural transformation.

Given the challenges facing the United States financial system, state and federal collaboration is more vital than ever to promote a dynamic, stable, and inclusive banking environment that protects consumers.

We urge you to nominate a well-qualified candidate with state supervisory experience for FDIC Chairperson, as well as the leadership and management expertise required to lead the FDIC at this pivotal time.

Sincerely,

Karen K. Lawson
Executive Vice President, Policy & Supervision

Conference of State Bank Supervisors

cc: Mr. Gautam Raghavan, Director of Presidential Personnel
Ms. Stacy Eichner, Deputy Director of Presidential Personnel

Endnotes

1 - See Statement of Federal Deposit Insurance Corporation (FDIC) Chairman Martin J. Gruenberg (May 20, 2024).

2 - The Conference of State Bank Supervisors (CSBS) is the national organization of financial regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico, and U.S. Virgin Islands.

3 - 12 U.S.C. 1812(a)(1)(C) ("The management of the [FDIC] shall be vested in a Board of Directors consisting of 5 members . . . 3 of whom shall be appointed by the President [and confirmed by the Senate] . . . *1 of whom shall have State bank supervisory experience*.")(emphasis added). This requirement helps ensure "that the FDIC Board include[s] a member with state bank regulatory expertise and sensitivity to the issues confronting the dual banking system." S. Rep. No. 104-185, at 13-14 (1995). The national banking system is represented on the FDIC Board by virtue of the Comptroller of the Currency.

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