January 30, 2019

The Honorable Mick Mulvaney
Acting Chief of Staff
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20502

Sean Dooley
Director, Office of Presidential Personnel
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20502

Dear Mr. Mulvaney and Mr. Dooley,

We write regarding the two current vacancies on the Board of Directors of the Federal Deposit Insurance Corporation (FDIC). We appreciate the challenging task the administration faces in selecting and nominating qualified candidates for these positions.

Congress amended the Federal Deposit Insurance Act in 1996 to require that at least one of the three independent members of the FDIC Board have state bank supervisory experience—meaning someone who has served as a state government official supervising banks—to ensure the perspective of the state banking system is represented on the Board. However, none of the FDIC Board members since 2012 have met this requirement, and we believe it is important that this statutory requirement be fulfilled.

As you know, the federal government and the states share responsibility for overseeing our nation’s dual banking system, and the FDIC plays a considerable role in that process. The FDIC serves as the federal prudential regulator of state-chartered banks which are not members of the Federal Reserve System. Additionally, the FDIC, through the insured financial institutions, provides trillions of dollars of deposit insurance to millions of consumers in our country, and performs many other critical functions.

State banking regulators also have many significant responsibilities in our nation’s dual banking regulatory structure, as nearly 80 percent of our nation’s banks—approximately 4,400—are state-chartered. State bank regulators also implement and enforce all other state banking laws. For these reasons, we believe it is imperative that the federal bank regulatory agencies, including the FDIC, work closely with their state counterparts on bank supervision, because financial regulation is most effective when the multiple layers of supervision are well coordinated. We believe that having a FDIC Board member with state bank supervisory experience is an important part of that coordination.

Furthermore, state-chartered financial institutions are deeply invested in their local communities and play a vital role in our nation’s economy. They are mostly community banks and are a major source of small business lending and many other critical financial services. Therefore, we feel it is important for these local perspectives to be represented at the FDIC.
Recent news reports have indicated that the administration is considering two potential nominees to fill the vacancies on the FDIC Board. While we certainly acknowledge that these individuals have expertise in federal banking regulation and are capable of serving in these roles, we are concerned that there still would not be an independent director with state bank regulatory experience on the FDIC Board as required by law. We believe you have a unique opportunity with these two appointments to ensure that the state banking system is represented at the FDIC, and we hope the administration will nominate at least one individual who has such experience.

Thank you, and we appreciate your attention to this matter.

Sincerely,

Barry Loudermilk
Member of Congress

Denny Heck
Member of Congress

Peter King
Member of Congress

Jim Himes
Member of Congress

Frank Lucas
Member of Congress

Steve Stivers
Member of Congress

Scott Tipton
Member of Congress

Tom Emmer
Member of Congress

Lee Zeldin
Member of Congress

Alex Mooney
Member of Congress

Ted Budd
Member of Congress

David Kustoff
Member of Congress

Trey Hollingsworth
Member of Congress

John Rose
Member of Congress