

Honorable Member
United States Senate
Washington, DC 20510

June 3, 2025

Re: Oppose the nomination of Governor Michelle Bowman to serve as Vice Chair for Supervision of the Board of Governors of the Federal Reserve System.

Dear Senator:

We urge you to oppose the nomination of Governor Michelle Bowman to serve as Vice Chair for Supervision of the Board of Governors of the Federal Reserve System (FRB). This role demands a demonstrated commitment to protecting financial stability, prioritizing oversight, and incorporating climate-related financial risks in the regulatory framework. These qualities are more important when financial regulators face significant staff cuts and regulatory rollbacks at the same time the economy is facing mounting instability and systemic risks. Governor Bowman's record of opposing critical safeguards, weakening oversight, and siding with the largest banks makes her unfit for the job.

The Vice Chair for Supervision is the Fed's chief regulator, tasked with protecting the stability of the U.S. financial system by requiring banks and other large financial firms to operate in a safe, sound, and accountable manner. The stakes of this role could not be higher. Deregulation and weak oversight were at the root of the 2008 financial crisis, which wiped out over \$19 trillion in household wealth, led to more than 16 million foreclosures and cost over 8 million jobs, devastating communities across the country, in particular the Black, Latine, and working-class communities that were targeted by predatory lenders in the runup to the crisis.¹ The 2008 financial meltdown was the result of political and regulatory choices that privileged financial profits over systemic safety, and the position of Vice Chair for Supervision was created to avoid repeating those mistakes.

Governor Bowman's record makes clear she is not a suitable candidate for this critical role. She has opposed policies to strengthen systemic resilience and has worked to weaken post-crisis reforms and to shield large banks from accountability. She voted to weaken prudential standards relating to regulatory capital, liquidity management, stress testing, countercyclical buffers, and counterparty risk—requirements that have become international standards since the 2008 crisis—for banks ranging from \$100 to \$700 billion in assets.² The decision to roll back these rules for big banks contributed to the 2023 collapse of Silicon Valley Bank, Signature Bank, and First Republic Bank,

¹ Valenti, Joe. "[10 Years Later: The Financial Crisis State by State](#)." Center for American Progress. February 22, 2018; Americans for Financial Reform Education Fund. "[Cost of the 2008-2010 Financial Crisis in Sixteen Charts](#)." September 2020. (There were 16.6 million foreclosures between 2007 and 2015 before foreclosures dropped below 1 million a year).

² Americans for Financial Reform Education Fund. [Letter to the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency](#). RE: Proposed Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements. Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies. January 22, 2019.

the second-, third-, and fourth-largest bank failures in U.S. history. As the previous Vice Chair for Supervision, Michael Barr, noted “regulatory standards for SVB were too low, the supervision of SVB did not work with sufficient force and urgency, and contagion from the firm’s failure posed systemic consequences not contemplated by the Federal Reserve’s tailoring framework.”³ These bank failures triggered panic across regional markets and required extraordinary government intervention to stem contagion.

Yet even in the wake of those failures and their systemic impacts, Governor Bowman opposed remedial reforms like raising capital buffers (i.e., Basel III),⁴ implementing stronger third-party risk management requirements, (including for financial technology companies),⁵ updating resolution planning so that mid-sized and large banks could fail without disrupting the broader economy,⁶ and strengthening and modernizing the Community Reinvestment Act (CRA), which aims to combat redlining.⁷

She also voted to approve mergers involving both megabanks and large super-regional banks, fueling consolidation and increasing systemic risk and monopoly power.⁸ And, she supported megabanks’ acquisitions of discount securities brokerage firms—further eroding the separation between commercial banking and securities trading, designed to limit conflicts of interest and prevent cascading financial instability.⁹

Governor Bowman has also rejected that climate change poses significant enough material risks to the financial system to require specific supervisory attention.¹⁰ Extreme weather events, asset repricing, and transition risks can destabilize financial markets, undermining the safety and

³ Board of Governors of the Federal Reserve System. “[Review of the Federal Reserve’s Supervision and Regulation of Silicon Valley Bank](#).” April 28, 2023 at 1.

⁴ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency. [Joint Press Release]. “[Agencies request comment on proposed rules to strengthen capital requirements for large banks](#).” July 27, 2023.

⁵ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency. [Joint Press Release]. “[Agencies issue final guidance on third-party risk management](#).” June 06, 2023.

⁶ Board of Governors of the Federal Reserve System and Federal Deposit Insurance Corporation. [Joint Press Release]. “[Agencies propose guidance to enhance resolution planning at large banks](#).” August 29, 2023.

⁷ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency. [Joint Press Release]. “[Agencies issue final rule to strengthen and modernize Community Reinvestment Act regulations](#).” October 24, 2023.

⁸ For example: Board of Governors of the Federal Reserve System. [Press Release]. “[Federal Reserve Board announces approval of application by BB&T Corporation to merge with SunTrust Banks](#).” November 19, 2019; Board of Governors of the Federal Reserve System. [Press Release]. “[Federal Reserve Board announces approval of applications by The PNC Financial Services Group, Inc. and PNC Bancorp, Inc.](#)” May 14, 2021; Board of Governors of the Federal Reserve System. [Press Release]. “[Federal Reserve Board announces approval of application by Capital One Financial Corporation to merge with Discover Financial Services and issues a consent order with Discover](#).” April 18, 2025.

⁹ Board of Governors of the Federal Reserve System. [Press Release]. “[Federal Reserve Board announces approval of notice by The Toronto-Dominion Bank](#).” September 30, 2020.

¹⁰ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency. [Joint Press Release]. “[Agencies issue principles for climate-related financial risk management for large financial institutions](#).” October 24, 2023. (See Statement by Governor Michelle W. Bowman.)

soundness of the financial system.¹¹ Her refusal to integrate climate risk into regulatory policy leaves the financial system dangerously unprepared for what is already a rapidly unfolding systemic and consumer protection threat (another piece of the FRB mission).¹²

We need a Vice Chair who understands that resilience comes from sound firms *and* sound systems—from capital buffers, liquidity protections, countercyclical safeguards, considering climate-related financial risk, and strong oversight of both the regulated and shadow financial systems. Governor Bowman has consistently voted against common sense regulations and sided with Wall Street and megabanks over the public interest. Confirming her for this position would imperil our financial system and endanger the health and stability of our economy.

We respectfully urge you to oppose Governor Bowman’s nomination to serve as Vice Chair for Supervision.

Sincerely,

20/20 Vision
Americans for Financial Reform
Better Markets
Long Island Housing Services, Inc.
Public Citizen
Take On Wall Street

¹¹ Americans for Financial Reform Education Fund. [Letter to the Board of Governors of the Federal Reserve System. RE: Principles for Climate-Related Financial Risk Management for Large Financial Institutions](#). February 6, 2023.

¹² For example: Flavelle, Christopher. [“How the Climate Crisis Became an Insurance Crisis.”](#) *New York Times*. December 19, 2024.