

Questions for Mr. Jonathan Gould, Comptroller of the Currency Designate, Department of the Treasury, from Ranking Member Elizabeth Warren:

Regulation and Supervision

1. In 2019, the OCC finalized a rule jointly with the Federal Reserve Board and FDIC that rolled back certain capital and liquidity rules for banks with \$100 billion - \$700 billion in assets. SVB, Signature Bank, and First Republic Bank, which failed in Spring 2023, were all in this size category.
 - a. Do you believe that material stress at, or the failure of, banks with \$100 billion - \$700 billion in assets can threaten the stability of the financial system?
 - b. Do you believe that the 2019 rule played *any* role in the failure of these three banks and the broader instability in the banking system in Spring 2023?
 - c. If not, do you believe it is coincidental that weakening supervision and regulation for banks of this size category directly preceded the 2nd, 3rd, and 4th largest bank failures in U.S. history, all banks within that size category?
 - d. Do you believe it was appropriate for the OCC to generally reduce liquidity requirements for banks with \$100 billion - \$700 billion in assets?
 - e. Do you believe it was appropriate for the OCC to generally allow banks with \$250 billion - \$700 billion in assets to opt-out of a capital treatment that required unrealized gains and losses in the available-for-sale securities portfolio to be reflected in capital levels?
 - f. Do you agree with the OCC's *Director's Book* that bank directors should "dissent on the record and consider actions to protect the bank's interests" if the bank's board is concerned that the holding company is engaging in practices that may harm the bank?

Answer: The bipartisan Economic Growth Act of 2018 and the regulatory tailoring it required played no role in the failure of SVB, Signature Bank, or First Republic Bank. Based on the confidential nature of bank supervision and the limited and possibly selective factual window that then Vice Chairman Michael Barr and then Chairman Martin Gruenberg have provided into these failures, I believe the factual accounts nevertheless revealed deficiencies in basic supervision and resolution execution. If confirmed, I will work to address these deficiencies.

2. In 2023, the banking agencies proposed revisions to the risk-weighted capital framework to address glaring deficiencies in the existing rules, especially with respect to risky trading activities and the losses banks face due to operational failures. The rule was generally aligned with the international Basel III "Endgame" agreement.
 - a. Do you intend to finalize this rule?

- b. Do you believe the Basel Committee on Banking Supervision plays a useful role in preventing a global race to the bottom on capital rules?
- c. Do you believe that financial crises in other countries can spill over to the U.S. banking system? Has that happened previously in U.S. history?
- d. Do you believe banks are currently undercapitalized against significant trading risks in their capital markets activities?
- e. What is the total volume of operational risk losses banks have had in the past 10 years? What part of the capital framework is intended to capture such losses?
- f. Given your previous statements on the Basel III Endgame process, do you commit to performing quantitative impact analyses and issuing multiple rounds of proposals for public comment for any rule that would impact large bank capital levels?

Answer: I support a reevaluation of the Basel III proposal. If finalized, I believe it should only be done so in a manner that does not harm the U.S. economy. Consistent with evidence from stress tests and the experiences of the pandemic, and with the views of Federal Reserve officials and a number of Biden era officials, including then Secretary of the Department of the Treasury Janet Yellen, I believe the U.S. banking system is well capitalized. I support efforts to reconcile the role the Basel Committee on Banking Supervision plays in U.S. rulemaking processes to American interests and U.S. law.

3. In 2018, the OCC and Federal Reserve proposed to weaken the enhanced supplementary leverage ratio (eSLR), one of the most important post-financial crisis improvements to capital requirements for the eight largest Wall Street banks. The proposal was never finalized and would have reduced loss-absorbing buffers at Wall Street banks by an astounding \$121 billion. Wall Street banks could have increased dividends and buybacks, operated with more debt, and become far more vulnerable to failure.
 - a. Do you believe the eSLR has improved the safety and soundness of national banks that are systemically important to the global financial system?
 - b. Did the 2008 financial crisis and the complete failure of the risk-weighted capital regime demonstrate that leverage capital requirements are an important safeguard to ensure the stability of the banking system?
 - c. Would you oppose a second attempt at weakening the eSLR and reducing Wall Street banks' loss-absorbing buffers by more than \$100 billion?
 - d. Did you have any concerns with the 2018 proposal?
 - e. Do banks' investments in Treasury securities carry any liquidity, operational, or market risk? If Treasury securities were exempted from the leverage ratio, which part of the capital framework would provide a buffer against losses on Treasury

securities? Do you oppose exempting Treasuries and other assets from the leverage ratio?

Answer: The U.S. capital regime has long included both risk-based and leverage capital standards, which are both important measures of capital adequacy. Leverage ratio standards have been regarded as a potential factor in constraining bank balance sheets, such as in 2020 when regulators provided for temporary changes to the calculation of the leverage ratio to support vital market functions. If confirmed, I look forward to reviewing and assessing the role of the eSLR in our capital framework, including its impact on the Treasury market.

4. In 2019, the OCC and four other financial regulatory agencies rolled back the Volcker Rule, which had been put in place after the 2008 financial crisis to prevent banks from gambling in financial markets. In 2020, the agencies then further weakened the Volcker Rule by eroding prohibitions on bank investments in hedge funds and private equity funds.
 - a. Do you believe the economic analysis conducted to justify these two rulemakings was thorough? If so, please quote from the analyses to support your response.
 - b. Do you believe rulemakings that strengthen banking safeguards and rulemakings that weaken banking safeguards should meet the same economic analysis standards?
 - c. Do you believe that it is prudent for banks to monitor hedging transactions on an ongoing basis or solely at the point of execution?
 - d. Is it possible for banks to engage in proprietary trading strategies using securities classified as available-for-sale or derivatives accounted at fair value, but not listed in the trading book?
 - e. In the past, have banks ever manipulated the accounting treatment of securities and derivatives with respect to assigning them to the trading account, available-for-sale, and hold-to-maturity categories?
 - f. Did bank investments in, and relationships with, hedge funds and private equity funds contribute to banking sector stress in the 2008 financial crisis?
 - g. Do you believe bank investments in, and relationships with, hedge funds and private equity funds pose safety and soundness risks?

Answer: As you note, section 13 of the Bank Holding Company Act (the “Volcker Rule”) generally prohibits banking entities from engaging in proprietary trading or from acquiring or retaining an interest in, sponsoring, or having certain relationships with a hedge fund or private equity fund. The agencies first issued final rules implementing the Volcker Rule in 2013. Experience implementing the Volcker Rule in the intervening years, as well as comments received, informed changes made by the regulatory agencies in 2019 and 2020. Broadly, these changes to the Volcker Rule were intended to help streamline and improve the

effectiveness of the rule. Commenters and the agencies considered the impact of the Volcker Rule, as well as impacts of the proposals.

5. One of the causes of the 2008 financial crisis was exorbitant executive compensation packages that incentivized wild risk-taking. If the bets paid off, executives would rake in tens of millions of dollars. If the bets went bust, the rest of the economy would suffer the consequences and taxpayers would be required to clean it up. Section 956 of the Dodd-Frank Act mandated regulators, including the OCC, to jointly prescribe rules prohibiting risky bonus arrangements. After proposals in 2011, 2016, and 2024, the rule remains unfinished.
 - a. Do you believe regulators must finalize Congressionally-mandated rules?
 - b. Do you commit to finalizing a strong executive compensation rule?
 - c. Do you believe the banking agencies' 2010 executive compensation guidance, completed one month before the Dodd-Frank Act was passed, satisfies the legal requirement to prescribe rules or guidelines under Section 956? Is a guideline a distinct legal term from guidance under the federal banking laws?
 - d. Based on the public information available, do you believe executive compensation packages played a role in the failure of SVB?
 - e. As a general matter, do you believe compensation arrangements influence behavior of bank executives?

Answer: Section 956 of the Dodd-Frank Act contemplates the issuance of interagency "regulations or guidelines" on incentive compensation, and there have been a number of actions in this space by federal agencies, including the 2010 interagency "Guidance on Sound Incentive Compensation Policies." If confirmed, I look forward to working with the other relevant agencies to determine appropriate next steps with respect to the agencies' obligations under Section 956.

6. Distinct from its rulemaking authority, the OCC supervises national banks for compliance with relevant laws and regulations. Supervisors can spot issues before they fester into bigger problems that threaten the safety and soundness of the bank.
 - a. What is your philosophy for bank supervision? Do you think supervisors should engage in box-checking exercises or should they make substantive judgments as to the prudence of banks' risk-related decisionmaking?
 - b. Should supervisors be empowered to quickly escalate issues to bank management?
 - c. Do you believe supervisors should use formal and informal supervisory communications, such as matters requiring attention, or should supervisors exclusively utilize formal enforcement actions against banks?

- d. Please review the FDIC Office of Inspector General and Federal Reserve Board post-mortems of SVB. What do you see as key supervisory failures? Do you agree that certain supervisory changes implemented by former Federal Reserve Vice Chair Quarles tied supervisors' hands and prevented them from timely addressing risks?
- e. Did Comptroller Otting undergo a careful budget review process or did he approve bloated budgets with excess supervisory staff?
- f. Is it important for the OCC to have the necessary staff and resources to execute its mission?

Answer: As noted above, I believe that SVB's failure revealed a number of deficiencies in basic supervision on the part of the Federal Reserve and the California banking regulator as well as deficiencies in resolution execution on the part of the FDIC. These deficiencies in basic supervision include, among other things, the transformation of supervision into a mere administrative compliance exercise, failure to focus on material financial risks, over-reliance on one-size-fits-all tools, and misallocation of supervisory resources. If confirmed, I also look forward to a complete accounting of the FDIC's performance in resolution execution and, to the extent possible based on the available facts related to the Federal Reserve's supervision of SVB, the application of lessons learned to ensure the OCC does not suffer from similar deficiencies in its basic supervision. This includes ensuring that OCC supervision efforts are appropriately focused on material financial risks.

7. Climate change clearly poses material financial risks to the national banking system. More frequent and severe weather events, and chronic changes to the climate, threaten physical collateral, undermine cash flows backing a variety of loan types, and could increase losses on national bank balance sheets. In addition, the shift to a low-carbon economy could undermine the value of loans and bonds tied to carbon-intensive industries. In 2023, the OCC jointly finalized supervisory principles to ensure banks have appropriate risk management frameworks to identify and mitigate climate-related financial risks.
 - a. Do you believe that climate change poses material risks to national banks?
 - b. Do you believe national banks should account for climate-related financial risks when underwriting loans or investing in other debt obligations? For example, should national banks consider sea-level rise and severe storms when underwriting commercial real-estate loans in coastal regions? Is it appropriate for national banks to factor energy price assumptions into business loans to oil and natural gas companies?
 - c. Do climate-related disruptions in the availability and affordability of property insurance have any knock-on effects for national banks?
 - d. Do you commit to maintaining the 2023 Principles for Climate-Related Financial Risk Management for Large Financial Institutions?

Answer: The OCC and other agencies have significant experience with respect to weather-related events, flood and property insurance, and collateral protection. If confirmed, I will assess whether the agency's current efforts in and resources allocated to these and related areas are consistent with and proportionate to actual material risks posed to bank balance sheet exposures and activities.

8. In 2021, the OCC tried and failed to finalize its Fair Access Rule just days before President Biden was sworn-in. The rule would have effectively forced large national banks to lend to politically favored industries, such as oil and gas companies or gun manufacturers, even if providing such services was counter to prudent risk management.
 - a. Do you believe regulators should engage in credit allocation, as contemplated by the Fair Access Rule?
 - b. Do you believe the Dodd-Frank Act's amendment to the mission statement of the OCC, adding "fair access to financial services," granted the OCC legal authority to prescribe the Fair Access Rule?
 - c. Do you believe that it is fair for national banks to set minimum balance fees and monthly account maintenance fees that prevent low-income Americans from accessing deposit accounts? Do you believe that, given the mission to ensure fair access to financial services, the OCC has an obligation to prohibit such practices?
 - d. Do you believe that it is fair for national banks to debank customers due to overdraft usage? Do you believe that, given the mission to ensure fair access to financial services, the OCC has an obligation to prohibit such practices?
 - e. Do you believe that national banks have an obligation to provide deposit accounts to low-income Americans?
 - f. Do you believe that it is fair for national banks to debank customers based on flawed dossiers compiled by data brokers? Do you believe that, given the mission to ensure fair access to financial services, the OCC has an obligation to prohibit such practices?
 - g. Do you believe it is fair for national banks to debank customers based on their skin color, sex, religion, political views, or speech? Do you believe that, given the mission to ensure fair access to financial services, the OCC has an obligation to prohibit such practices?

Answer: The preamble to the Fair Access Rule discusses the relevant legal authorities pursuant to which the rule was promulgated. The OCC has authority to interpret the statutes it is charged with administering and authority "to prescribe rules and regulations to carry out the responsibilities of the office." 12 U.S.C. § 93a. The OCC interpreted the phrase "fair access to financial services" in the context of 12 U.S.C. § 1, as amended by the Dodd-Frank Act, as well as the agency's prior precedent, among other relevant sources of law.

If confirmed, one of my priorities will be to end politicized banking. I believe it is unacceptable for banks or regulators to discriminate against customers based on their politics or religion, or the mere fact that they engage in some politically disfavored but lawful activity or industry. If confirmed, I look forward to addressing this issue and supporting the oversight and legislative activities of the Congress to that end.

9. The largest national banks are even larger and more complex than they were in 2008 when they were bailed out to avoid another Great Depression.
 - a. Do you believe the Too-Big-To-Fail (TBTF) problem has been solved? Do very large national banks benefit from an implicit government guarantee and enjoy an unfair funding advantage over community banks?
 - b. Do you have confidence that if one of the four largest national banks failed, it would not destabilize the banking system and inflict severe harm on the broader economy?
 - c. What steps would you take to finally address the TBTF problem?

Answer: The bank failures of March 2023 highlighted deficiencies in basic supervision and resolution execution that need to be addressed. Furthermore, the Biden administration's decision to invoke the systemic risk exception to least cost resolution suggests claims that the Dodd-Frank Act solved the TBTF problem may have been premature. If confirmed, I look forward to reviewing the agencies' efforts to address TBTF to date, assessing what has worked and what has not, and making changes as appropriate and consistent with law.

10. In 2024, J.P. Morgan launched Chase Media Solutions, a media company that appears to leverage sensitive transaction data to feed targeted advertising products. In previous years, some national banks have acquired dinner reservation companies, travel platforms, and other companies that offer services far afield from the business of banking.
 - a. Are you concerned that national banks are engaging in activities that extend beyond the business of banking?
 - b. Do you believe it is appropriate for national banks to launch media organizations?
 - c. What was "finder authority" initially intended to cover? Do you believe e-commerce platforms are equivalent to bank branch bulletin boards?
 - d. Will you launch a review of the current list of permissible national bank activities and rescind past interpretive letters if you find those activities have been stretched beyond the legal bounds of the National Bank Act?

Answer: If confirmed, I look forward to reviewing developments that have occurred in the national banking system since I left the OCC in 2021 as well as the legal authorities for any specific activities. Both Congress and the courts have long recognized the important role that the OCC plays under the National Bank Act in construing national bank powers "so as to permit the use of new ways of conducting the very old business of banking" as markets,

technologies and customer preferences change. If confirmed, I will continue to ensure the national banking system remains relevant, consistent with law.

11. In the wake of the Spring 2023 bank failures, the FDIC published a report outlining potential options for deposit insurance reform.

- a. Do you believe small businesses should have a completely safe place to keep their money for payroll, operating expenses, and other transactions?
- b. Do you think it is appropriate that large businesses with uninsured deposits at SVB and Signature Bank were protected by the government, while small businesses with accounts at local community banks sometimes lose their uninsured deposits when the bank fails?
- c. Would you support bipartisan efforts to increase deposit insurance limits for small business transaction accounts?

Answer: If confirmed, I look forward to reviewing and evaluating arguments for and against changes to the existing deposit insurance scheme, including the various options and arguments put forward in the FDIC report, so that I can provide Congress with an informed view if requested.

12. Do you believe that the deterioration in a bank's reputation could result in negative financial consequences for the bank? Are you concerned that the OCC's recent announcement that it will no longer examine for reputational risk will make it more likely that a Credit Suisse-style reputational failure takes down a large national bank?

Answer: As FDIC Acting Chairman Travis Hill recently noted, reputation risk "adds no value from a safety and soundness perspective as a standalone risk." Most if not all activities that could affect a bank's safety and soundness are already reflected in traditional risk categories, such as market risk or, compliance risk. Reputation risk has been abused in the past to achieve ends unrelated to safety and soundness or the statutory mission of the OCC.

13. What current or emerging risks constitute your top concerns for the safety and soundness of the national banking system?

Answer: Credit risk in CRE including the office and multifamily sectors as well as rising delinquencies in retail credit like residential real estate, credit cards and auto loans are important to monitor. I am also concerned that certain regulatory and supervisory policy decisions made by the agencies and not compelled by statute may be causing banks to retreat from supporting the U.S. economy or certain segments thereof. If confirmed, I intend to review these regulatory and supervisory policy decisions.

Bank Merger Review

14. Do you believe consumers and small businesses have been well-served by the substantial increase in consolidation of the banking sector over the last four decades?
15. How do you approach the convenience and needs of the community when reviewing a bank merger application? Do you believe public engagement in the merger review process is important?
16. How do you approach the competitive effects analysis when reviewing a bank merger application?
17. Please review the Department of Justice's 2023 Merger Guidelines and its 2024 Banking Addendum. Do you agree with the DOJ's approach to analyzing the competitive effects of bank merger transactions?
18. Congress added the financial stability factor to the Bank Merger Act in 2010.
 - a. Why do you believe Congress added this statutory factor in the wake of the 2008 financial crisis?
 - b. What type of transaction would fail to satisfy the financial stability factor?
 - c. Do you agree with the OCC's 2023 merger approval order in the J.P. Morgan-First Republic transaction that invoked the financial stability factor to justify a Wall Street bank growing larger and more interconnected?
19. Do you believe it is inappropriate for the OCC to ever deny a merger application? When was the OCC's last bank merger denial Order?
20. Do you commit to conducting retrospective analyses of approved mergers to evaluate how the competitive landscape and community were impacted following the transaction?
21. If the Federal Reserve or FDIC communicated to a bank that they intended to deny a merger application, would you consider approving the application if the banks inverted the deal to switch regulators? Does "charter flipping" or similar "regulator shopping" behavior concern you?

Answer (Questions 14-21): I believe the banking industry and the economy it supports have been historically well-served by the industry's diversity and dynamism. This means that we need to ensure we maintain a diverse banking sector, comprising community banks, large banks, and everything in between. It also means we need to ensure the system is dynamic, with banks growing or shrinking as a result of market factors, competitive pressures and consumer demands. Preserving this diversity and dynamism requires banking agencies like the OCC to apply the relevant statutory factors such as the financial stability and convenience and needs factors to the specific facts of licensing decisions, including merger applications, in clear, consistent and timely manner. This has not always occurred over the past few years. If

confirmed, I look forward to remedying this problem to ensure our banking system remains diverse and dynamic over time. I would also note that an important component of diversity and dynamism in the banking system is de novo chartering, which has been anemic over the past few years. If confirmed, I look forward to addressing substantive and procedural shortcomings in the FDIC's review of deposit insurance applications.

States' Rights

22. Do you agree that the OCC's overbroad approach to preemption, including preempting states' efforts to curb risky subprime mortgages, contributed to the 2008 financial crisis?
23. Is the OCC permitted to preempt a state consumer financial law in any circumstance outside of the three specific circumstances outlined in Section 1044 of the Dodd-Frank Act?
24. In 2020, the OCC published Interpretive Letter #1173 which stated that "An OCC action that has only indirect or incidental effects on a state consumer financial law is not a preemption determination." Please cite the provision of Section 1044 that supports this assertion.
25. During your tenure, how many times did the OCC consult with the Consumer Financial Protection Bureau (CFPB) pursuant to the requirements under Section 1044?
26. More than 13 years have passed since the effective date of the Dodd-Frank Act. During that time period, how many 5-year lookbacks has the OCC conducted of its preemption determinations? How many were conducted during your tenure?
27. In *Cantero v. Bank of America*, 602 U.S. 205 (2024), the Supreme Court expressly rejected "a categorical test" and held that "Dodd-Frank's preemption standard" requires "a practical assessment of the nature and degree of the interference caused by a state law." Do you agree with the Supreme Court's decision in *Cantero*?
28. At the oral argument in *Cantero*, Justice Gorsuch wondered, "Is the OCC ever going to get around to doing that which Dodd-Frank directs it to do?" Do you commit to finally implementing Section 1044 of the Dodd-Frank Act, including initiating the mandatory 5-year review, exclusively preempting state consumer financial law in the three specific circumstances outlined in law, and consulting with the CFPB before preempting multiple states' laws?

Answer (Questions 22-28): Congress charged the OCC in 12 U.S.C. § 1 with ensuring the fair treatment of customers, and I believe the OCC takes this part of its mission seriously. Federal preemption of state law is an important feature of modern banking and interstate banking as Congress recognized in the 1997 amendments to the Riegle-Neal Act when it explicitly extended the benefits of federal preemption to state banks. Congress also recognized the important interests that states have by codifying Barnett Bank's "significant interference" test in the Dodd-Frank Act. The Supreme Court affirmed this standard just last year in Cantero. As of 2021, when I left the OCC, the OCC's position was that it had not made any preemption determinations since 12 U.S.C. § 25b became effective. The OCC's interpretation of 12 U.S.C.

§ 25b is set forth in Interpretive Letter #1173, which I assume remains the OCC's interpretation since the Biden administration did not withdraw or rescind it. I am not aware of any changes in statute or judicial precedent that would affect that letter's rationale, but, if confirmed, I look forward to hearing the current views of the OCC legal team on the subject. If confirmed, I will ensure the agency continues to follow the law and Supreme Court precedent.

29. Does the OCC have the authority under the National Bank Act to grant special charters to nonbank companies that lend and do not take deposits?
30. If the OCC granted a special charter to a fintech company, would state regulators still be able to subject the fintech company to protections against predatory lending practices?
31. Do you intend to revive this type of charter and review new applications?

Answer (Questions 29-31): The OCC reviews and evaluates applications for charters from a range of applicants with diverse business models and evaluates each application on its merits consistent with the relevant statutory factors, applicable law, OCC regulations, and the agency's high supervisory standards. These include national banks and federal savings associations, national trust banks, and federal branches and agencies of foreign banks. Some of these business models may involve non-deposit taking activities consistent with law. If confirmed, I will continue to ensure the national banking system remains relevant, consistent with law.

Crypto Assets

32. What safeguards are necessary to ensure that stress in the crypto asset market does not infect the national banking system?
33. Do you believe it's appropriate to apply heightened liquidity requirements to deposits placed at a national bank by a stablecoin issuer? Do you believe there should be concentration limits placed on a national bank's ability to accept deposits from entities or industries that are themselves vulnerable to runs?
34. Is it possible for a bank to hold crypto assets on its balance sheet, as principal, in a safe and sound manner?
35. Do you believe that crypto asset custody activities pose greater risk than custodial traditional real or financial assets?
36. Does the complexity of the ByBit hack pose any concerns about permitting national banks to custody crypto assets?
37. How can national banks ensure that nodes, validators, and other network participants on distributed ledgers they are participating in are not terrorist organizations, cartels, or sanctioned countries like Russia or Iran?

38. Just over a year after Anchorage Digital was granted a national bank charter during your tenure, the OCC issued a comprehensive enforcement action against the company for severe deficiencies in its anti-money laundering framework. When the OCC reviewed Anchorage Digital's charter application, did you have any concerns with its anti-money laundering framework? How did a bank with such severe anti-money laundering weaknesses obtain a charter?
39. The OCC also granted Paxos and Protego conditional charters during your tenure, however, neither bank was able to meet the terms of the charter and the conditional approval expired. Do you think the OCC's vetting process for these charters needs to be strengthened, given that these companies with serious deficiencies fell through the cracks and obtained conditional charters anyway?

Answer (Questions 32-39): The national banking system must operate in a safe and sound manner and safeguard the U.S. financial system from illicit financial activity regardless of whether a bank is engaged in activities related to digital assets or more traditional financial assets. Bank regulations should be appropriately tailored to the risk, size, and complexity of banking organizations and their activities. I am committed to the safety and soundness of the U.S. banking system and effectively applying the OCC's prudential regulations, chartering authority, and illicit finance safeguards for both more traditional and digital asset activities. If confirmed, I look forward to working with Congress regarding the regulation of the national banking system and its interaction with the digital asset marketplace. I support this Committee's bipartisan efforts to create a robust regulatory framework for stablecoins and onshore innovation.

Community Reinvestment Act

40. Do you believe decades of redlining inflicted severe harm on communities of color and low- and moderate-income communities?
41. Do you believe redlining and other discriminatory lending practices are still a problem in the national banking system?
42. Will you defend the 2023 CRA final rule in court?
43. Did you express any concerns to Comptroller Otting about his effort to weaken the CRA by distilling exams into a single dollar figure that incentivizes banks to focus on profits instead of the community's needs?
44. Do you believe that all changes to CRA regulations should be done jointly with the FDIC and Federal Reserve?
45. Do you believe that 98%+ of national banks actually do enough in their communities to justify a passing CRA grade or do the exams suffer from grade inflation?

Answer (Questions 40-45): I believe it is unacceptable for banks to discriminate against customers based on their race, sex, religion, political views, or speech. If confirmed, the OCC will continue to enforce fair lending and fair housing laws and make referrals to the Department of Justice and HUD as appropriate.

Enforcement

46. Why do you think large national banks have not been deterred by past enforcement actions and continue to break the law?
47. Are you willing to fine executives directly, use the OCC's authority under 12 U.S.C. 1818(e) to remove executives from their roles and ban them from the banking industry, and make criminal referrals to the Department of Justice, where appropriate?
48. When do you think it is appropriate to move beyond fines and impose structural remedies on national banks, including asset caps, divestitures, and activity limitations?
49. Do you believe the OCC has evenly administered penalties to large and small national banks?
50. Do you think it is appropriate for the Department of Justice to carefully structure criminal charges so as to avoid causing large national banks to lose their charters under 12 U.S.C. 93(d) when they are found to have engaged in money laundering? Will you pursue charter termination under separate authorities if the Department of Justice engages in such behavior?
51. As a general matter, what type of misconduct do you think warrants terminating a large national bank's charter?
52. Do you intend to maintain or strengthen the OCC's 2023 revisions to its enforcement manual that created an escalation framework for national banks with persistent weaknesses?

Answer (Questions 46-52): If confirmed, I am committed to making sure that the OCC uses its powers to investigate and take action against institutions and individuals who violate the law, including those for money laundering, as appropriate based on the facts and circumstances of each violation. That will include referrals to the Department of Justice when mandated by law or otherwise appropriate. Criminal charging decisions are the responsibility of the Department of Justice.

DOGE and Regulatory Independence

53. As a member of the FDIC Board of Directors, do you believe that federal deposit insurance should be "phased out fully"?
54. Does the OCC currently have the legal authority to administer the Deposit Insurance Fund? If so, please explain.

55. Does the OCC currently have the legal authority to regulate, supervise, or enforce against state chartered banks? If so, please explain.

Answer (Questions 53-55): Congress created the federal deposit insurance system almost 100 years ago with the goal of assuring the public that their deposits were safe and maintaining public confidence in the banking system. Administration of the Deposit Insurance Fund is vested with the FDIC by law, with certain responsibilities (such as with respect to investing and lending funds) assigned to the Treasury Department. See, e.g., 12 U.S.C. § 1823-1824. Under the federal bank regulatory system established by Congress, the OCC is the primary federal regulator of national banks, the Federal Reserve is the primary federal regulator of state-chartered banks that are members of the Federal Reserve System, and the FDIC is the primary federal regulator of insured state nonmember banks. If confirmed as Comptroller, I would also serve on the FDIC's Board of Directors and would work closely with my fellow Board members to administer its critical role in insuring deposits and to appropriately regulate and supervise all banks within its purview.

56. Do you intend to submit all significant rulemakings to OMB? Do you intend to submit the OCC's budget to OMB for approval?

57. When you previously served as Senior Deputy Comptroller and Chief Counsel at the OCC, did the agency under the leadership of Comptroller Otting or Acting Comptroller Brooks submit significant rulemakings to OMB? Did the agency under the leadership of Comptroller Otting or Acting Comptroller Brooks submit the OCC's budget to OMB for approval?

58. Do you believe that funneling all major decisions through the White House will decrease the politicization of the OCC?

Answer (Questions 56-58): In my experience, OCC collaboration with OMB has improved the substantive outcome of agency rulemaking efforts. OMB brings consistent and sophisticated cost-benefit analysis methodologies, among other benefits, to its collaboration with Federal agencies like the OCC. If confirmed, I look forward to working with OMB consistent with the President's directives and other applicable law.

59. Do you have the authority to effectively repeal the National Bank Act by setting a \$0 budget and terminating all of the agency's employees?

60. Please list all of the OCC's statutorily mandated functions. Do you intend to fulfill each function, including by ensuring adequate staff to do so?

Answer (Questions 59-60): The National Bank Act was enacted by Congress. The OCC is tasked with interpreting and implementing the National Bank Act, but only Congress can repeal legislation. The OCC operates within a detailed statutory framework set by Congress, going back to the National Currency Act of 1863, and as set out in relevant sections of Title 12 and Title 31 of the United States Code. If confirmed, I will ensure that the OCC carries out all of its statutorily mandated responsibilities, and I will ensure that the agency is well positioned in terms of staffing and budget to perform its mission.

Ethics and Conflicts of Interest

61. Do you agree with your former boss, Comptroller Otting, that banks are the OCC's "customers"?

Answer: I believe the OCC's willingness to engage with the institutions it regulates is a sign of its strength and confidence as a regulator. The OCC can and should take input from the banks it regulates into consideration in its work. Engagement with affected institutions, among others, is at the heart of the notice and comment process under administrative law. But the OCC ultimately makes decisions that are best for the American economy and the American people consistent with law.

62. Should you be confirmed, do you commit to recusing yourself in all matters related to your former clients for a period of four years?

63. In the past 12 months, have you advised any clients on any matters related to national bank chartering, licensing, mergers, permissible activities, regulation, supervision, or enforcement? If so, please list the client and the relevant matters.

64. Should you be confirmed, will you commit to immediately divesting from owning securities, such as stock, stock options, and bonds, of banks or savings associations or their affiliates, such as bank holding companies and savings and loan holding companies?

Answer (Questions 62-64): I will comply with all relevant ethics laws and will divest of the holdings described in my Ethics Agreement within the timeframe stated.

65. Would you approve a merger transaction if so directed by the White House, including after the applicant made a payment to the President, a member of his family, or to his related business interests?

Answer: Public comments, whether from a politician, a community group or anyone else, are part of the standard review process for merger transactions and evaluated for relevance and substantiveness consistent with the law. In all cases, I will make decisions on merger transactions consistent with law, relevant statutory factors, and the specific facts of the transaction.

66. Do you commit to a 4-year cooling off period from representing any national banks, or their affiliates or holding companies, following the conclusion of your service as Comptroller?

Answer: I will comply with all relevant ethics laws.

Nomination

67. During or leading up to the selection of your nomination, did anyone on the Trump campaign, transition team, or other closely related entity approach you about your loyalty to

President-elect Trump? Did you sign a loyalty pledge or other similar oath?

Answer: No.

68. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Trump campaign or the Trump transition team? If so, please explain.

69. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Heritage Foundation? If so, please explain.

Answer (Questions 68-69): I have shared my views on banking policy in many contexts (both private and public) and with a wide range of individuals, some of whose views I support and some which I reject.

70. Please provide a comprehensive list of the people who approached you about joining the administration.

Answer: I was nominated by President Trump, and the nomination was processed in customary fashion.

71. Did any person provide advice to you, oral or written, on your responses to these questions? If so, please provide a comprehensive list of the individuals or organizations that provided assistance.

Answer: These answers are my own.

Congressional Oversight and Whistleblower Protection

72. If confirmed, will you commit to making yourself and any other politically appointed employee of OCC available to provide testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chair or Ranking Member?

73. If confirmed, will you commit to fully complying with all information requests from me and responding to those requests in a timely manner?

74. If confirmed, do you intend to respond to congressional information requests differently depending on who is making the request?

Answer (Questions 72-74): If confirmed, I will work to make myself and employees of the OCC available to the Committee and will respond to requests for information as appropriate and consistent with past practices and Committee rules.

75. If confirmed, will you commit to complying with any federal protections for whistleblowers?

Answer: I will comply with applicable law.