

**Congress of the United States**  
**House of Representatives**

March 28, 2025

The Honorable Travis Hill  
Acting Chairman  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

Dear Acting Chairman Hill:

We write to express grave concern regarding recent reports indicating an erosion of the Federal Deposit Insurance Corporation's (FDIC) independence under your leadership. Specifically, we are deeply alarmed by the growing perception that the agency has acquiesced to undue political pressure from President Trump's Department of Government Efficiency (DOGE)<sup>1</sup> and by reports suggesting that the FDIC may be merged with other federal banking regulators, undermining its critical role in ensuring financial stability and consumer protection.<sup>2</sup>

Congress created the FDIC through the Banking Act of 1933 to promote confidence in the U.S. banking system. Since its inception, it has played an essential role in safeguarding depositors, ensuring prudent bank supervision, and maintaining the safety and soundness of financial institutions. As Acting Chairman and sole member currently serving on the board of directors with prior FDIC experience, you understand the importance of agency independence better than most. Your first statement reiterated a commitment to improving the supervisory process, a reevaluation of supervisory appeals, and for re-establishing a strong work culture.<sup>3</sup> Relinquishing FDIC's independence will prevent the agency from operating free of political pressure and from making decisions based solely on sound banking principles.

Reports indicate that the latest actions and policy shifts at the FDIC are closely aligned with the political interests of President Trump, Elon Musk, and their DOGE allies rather than with the agency's core mission.<sup>4</sup> FDIC staff has been significantly reduced in recent weeks, with over 700 workers fired or forced to accept the Administration's deferred resignation buyouts while another 170 probationary employees were terminated without recourse.<sup>5</sup> The FDIC has also rescinded more than 200 job offers to new examiners, the front-line employees who monitor banks for early signs of problems.<sup>6</sup> These cuts amount to one in every 10 employees, many with decades of

---

<sup>1</sup> Wall Street Journal, "Trump Advisers Eye Bank Regulator Consolidation After Targeting CFPB," Gina Heeb, Brian Schwartz and Anna Maria Andriotis, Feb. 11, 2025, <https://www.wsj.com/finance/regulation/trump-advisers-eye-bank-regulator-consolidation-after-targeting-cfpb-85055a2e>

<sup>2</sup> Semafor, "Treasury play for regulatory control puts it on collision course with Fed," Eleanor Mueller, Rachel Witkowski, Mar 24, 2025 [www.semafor.com/article/treasurys-play-for-control-over-regulators-puts-it-on-collision-course-with-fed](https://www.semafor.com/article/treasurys-play-for-control-over-regulators-puts-it-on-collision-course-with-fed)

<sup>3</sup> Press Release, Federal Deposit Insurance Corporation, Statement from Acting Chairman Travis Hill Jan 21, 2025, <https://www.fdic.gov/news/press-releases/2025/statement-acting-chairman-travis-hill>

<sup>4</sup> NPR, "The FDIC's goal is to prevent another banking crisis. It's now also a Trump target," Maria Aspan, Feb. 27, 2025, <https://www.npr.org/2025/02/27/nx-s1-5307239/fdic-jobs-bank-regulator-trump-doge-elon-musk>

<sup>5</sup> American Banker, "FDIC sheds 10% of workforce; more cuts likely," Ebrima Santos Sanneh, Feb 28, 2025, <https://www.americanbanker.com/news/fdic-has-cut-10-of-staff-under-trumps-downsizing-effort>

<sup>6</sup> The Washington Post, "Banking regulator rescinds more than 200 job offers for examiners it needs," Jan 27, 2025, <https://www.washingtonpost.com/business/2025/01/27/fdic-bank-examiners-job-offers-rescinded/>

experience and knowledge—with likely more to come. A loss of experienced examiners, managers, and executives will undoubtedly result in less oversight and in regulators turning a blind eye to risks that conflict with political priorities, whims, and personal interests.<sup>7</sup>

Equally troubling are reports that the FDIC could be merged with other federal regulators, such as the Consumer Financial Protection Bureau (CFPB), the Office of the Comptroller of the Currency (OCC), and the Federal Reserve’s supervisory division.<sup>8</sup> Such a move would not only be unprecedented but profoundly damaging to the FDIC’s ability to supervise more than 4,000 community banks. As part of the Treasury Department, the head of the OCC reports to the Treasury Secretary, a presidential appointee, who would very likely be pressured to politicize bank regulation and supervision decisions. The American people rely on the FDIC to function as an impartial guardian of financial stability, not as an instrument of political influence. Moreover, any attempt to merge the FDIC with another regulator would require congressional approval.

Even the banks subject to FDIC oversight and supervision oppose efforts to consolidate. A recent poll of hundreds of CEOs and executives from financial institutions across the country found that around half oppose consolidation.<sup>9</sup> They also nearly unanimously backed keeping regulatory agencies independent to support and facilitate their vital role in overseeing and auditing financial firms.<sup>10</sup> Consolidating these agencies under a single regulatory framework risks creating a monolithic entity that is more susceptible to political interference, less accountable to the public, and less effective in responding to emerging risks in the banking sector.

Protecting FDIC independence ensures banks remain financially strong, treat customers fairly, and continue to provide lending to families and small businesses that support our local economies.<sup>11</sup> You have a responsibility to uphold the principles and integrity that have defined the FDIC for nearly a century. We urge you to publicly reaffirm the agency’s independence and take all immediate steps to protect it from any further form of political encroachment or consolidation. We look forward to your response.

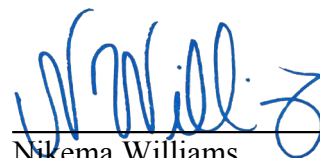
Sincerely,



David Scott  
Member of Congress



Emanuel Cleaver, II  
Member of Congress



Nikema Williams  
Member of Congress

---

<sup>7</sup> Post-mortem Federal Reserve report from the 2023 bank failures found that a lack of staff (both in number and those with required skills) was one of the key factors that led to the failures. (See pages 36-38 of [Report](#))

<sup>8</sup> Bloomberg Law, “*Trump Readies to Move Bank Regulators After Workforce Purge*” Evan Weinberger, Feb. 19, <https://news.bloomberglaw.com/banking-law/trump-gets-ready-to-move-bank-regulators-after-workforce-purge>

<sup>9</sup> American Banker, “*Bankers want agency independence, split on consolidation*,” Ebrima Santos Sanneh, Feb 11, <https://www.americanbanker.com/news/bankers-want-agency-independence-but-split-on-consolidation>

<sup>10</sup> *Ibid*

<sup>11</sup> A 2024 [study](#) by Brown University, World Bank & Bank of England economists using data from 98 countries spanning two decades (1999-2019) showed that increasing the independence of regulators and supervisors benefits financial stability.



Ro Khanna  
Member of Congress



Delia C. Ramirez  
Member of Congress



Greg Casar  
Member of Congress



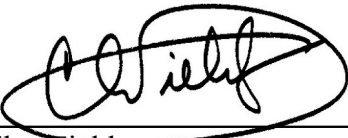
Alexandria Ocasio-Cortez  
Member of Congress



Stephen F. Lynch  
Member of Congress



Rashida Tlaib  
Member of Congress



Cleo Fields  
Member of Congress



Andre Carson  
Member of Congress



Sean Casten  
Member of Congress



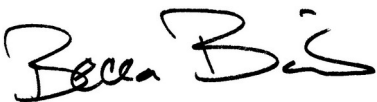
Eleanor Holmes Norton  
Member of Congress



Dan Goldman  
Member of Congress



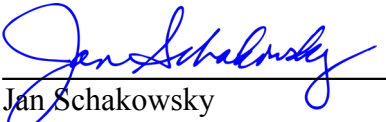
Bill Foster  
Member of Congress





Becca Balint  
Member of Congress

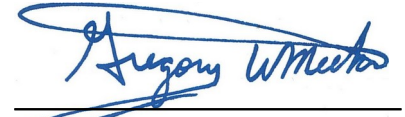


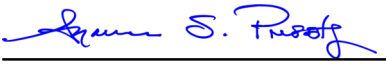
Mike Quigley  
Member of Congress


  
Jan Schakowsky  
Member of Congress


  
Joyce Beatty  
Member of Congress


  
Brittany Pettersen  
Member of Congress

  
Gregory W. Meeks  
Member of Congress

  
Ayanna Pressley  
Member of Congress

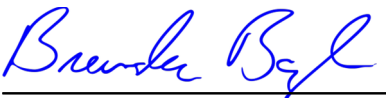
  
Troy A. Carter, Sr.  
Member of Congress

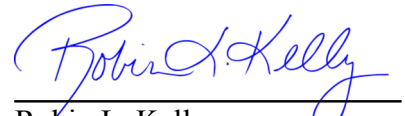
  
Frederica S. Wilson  
Member of Congress


  
Shontel M. Brown  
Member of Congress

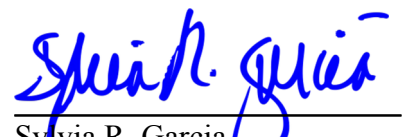
  
Al Green  
Member of Congress

  
George Latimer  
Member of Congress

  
Brendan F. Boyle  
Member of Congress

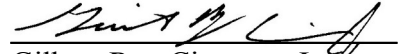
  
Robin L. Kelly  
Member of Congress

  
Herbert C. Conaway, Jr.  
Member of Congress

  
Sylvia R. Garcia  
Member of Congress



Julie Johnson  
Member of Congress



Gilbert Ray Cisneros, Jr.  
Member of Congress



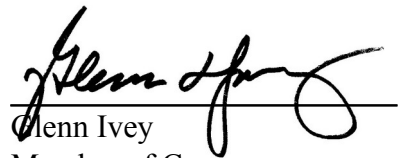
Deborah K. Ross  
Member of Congress



Dwight Evans  
Member of Congress



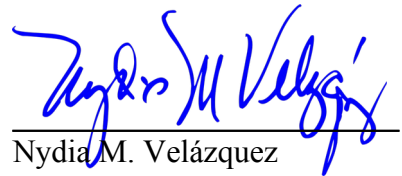
Jim Tokuda  
Member of Congress



Glenn Ivey  
Member of Congress



Pramila Jayapal  
Member of Congress



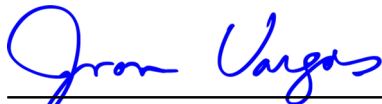
Nydia M. Velázquez  
Member of Congress



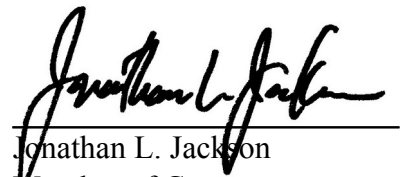
Terri A. Sewell  
Member of Congress



Danny K. Davis  
Member of Congress



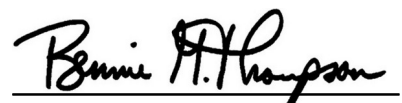
Juan Vargas  
Member of Congress



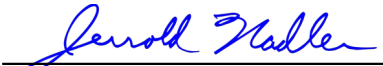
Jonathan L. Jackson  
Member of Congress



Mike Thompson  
Member of Congress



Bennie G. Thompson  
Member of Congress



---

Ferrol Nadler  
Member of Congress



---

Lucy McBath  
Member of Congress



---

James P. McGovern  
Member of Congress



---

Henry C. "Hank" Johnson, Jr.  
Member of Congress