

## [Banking and Finance Law Daily Wrap Up, TOP STORY—President nominates Jerome Powell to be next Fed Chairman, \(Nov. 2, 2017\)](#)

Banking and Finance Law Daily Wrap Up

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As widely speculated in the media, President Donald J. Trump has announced that he will nominate Jerome H. Powell to become the next chairman of the Federal Reserve Board. In an [article](#) appearing in the *New York Times*, it was noted that the president was "breaking precedent" since "[the] previous three Fed chairmen were reappointed, in each case by a president of the opposite political party."

Following the Rose Garden announcement, current Fed Chair Janet Yellen [said](#), "Jay's long and distinguished career has been marked by dedicated public service and seriousness of purpose. I am confident in his deep commitment to carrying out the vital public mission of the Federal Reserve. I am committed to working with him to ensure a smooth transition."

Powell also released a [statement](#) indicating that he "will do everything within my power to achieve the goals assigned to the Federal Reserve by the Congress: stable prices and maximum employment." Touching on banking regulation, Powell noted, "While post-crisis improvements in regulation and supervision have helped us to achieve these gains, I will continue to work with my colleagues to ensure that the Federal Reserve remains vigilant and prepared to respond to changes in markets and evolving risks." He concluded, "[I] am committed to making decisions with objectivity and based on the best available evidence, in the longstanding tradition of monetary policy independence."

A statement issued by House Financial Services Committee Chairman Jeb Hensarling (R-Texas) [said](#), "Although I am not well acquainted with Mr. Powell and advocated on behalf of another candidate, I congratulate him on his nomination and look forward to working with him should he be confirmed by the Senate. If confirmed, it is my hope that he will break from the past and lead the Federal Reserve to adopt a more transparent and more predictable monetary policy strategy and rationalize a regulatory agenda that has seen big banks become even bigger while community banks have become fewer."

Prior to the announcement, Rep. Warren Davidson (R-Ohio) [stated](#), "I think the President made the right choice in nominating someone new to lead the Federal Reserve. I wish Mr. Powell the best throughout the confirmation process. As the confirmation process moves ahead, I look forward to hearing how Mr. Powell plans to captain monetary policy and restore regulatory balance to benefit hardworking families in Ohio and across the country."

Industry groups welcomed the nomination.

Financial Services Roundtable CEO Tim Pawlenty [noted](#), "Jerome Powell's experience as both a dedicated public servant and a successful business leader will serve him well in his new role which is vital to maintaining a sound financial system, modernizing regulations to improve economic growth, and enabling America to lead on the global economic stage."

Scott Heitkamp, chairman of the Independent Community Bankers of America and Camden R. Fine, ICBA's president and CEO [called](#) Powell "a strong choice for Fed chairman, bringing a wealth of experience from a long career in banking, finance and regulation." The trade group also urged the Senate to "promptly confirm Governor Powell" and said it "looks forward to working with him on the challenges and opportunities facing the community banking industry."

Rob Nichols, president and CEO of the American Bankers Association [said](#), "President Trump has chosen someone of great integrity, intellect and experience for this critically important position, and we know Governor Powell will be up to this challenge. He has demonstrated sound judgment in his handling of monetary policy

since joining the Federal Reserve. He has also demonstrated a keen understanding of the important relationship between monetary policy and sound regulatory policy, and how the two can work together to reinforce economic growth. We urge the Senate to swiftly confirm him as Chairman."

Although the banking industry was receptive to the Powell nomination, Bartlett Naylor, Financial Policy Advocate at Public Citizen's Congress Watch Division [indicated](#) that, "By failing to name Janet Yellen to continue as chair of the Federal Reserve, President Donald Trump missed an important opportunity to demonstrate a commitment to safe speed limits for Wall Street, and to monetary policy that truly puts jobs first. During the confirmation process, senators must ensure that Gov. Jerome Powell will guard the Fed's independence, uphold and continue improvements made under the 2010 Wall Street reform act and navigate sound monetary policy."

Companies: American Bankers Association; Financial Services Roundtable; Independent Community Bankers of America; Public Citizen

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