Banking and Finance Law Daily Wrap Up, PRUDENTIAL REGULATION—Fed reported to cut supervisory staff, (Oct. 31, 2025)

Banking and Finance Law Daily Wrap Up

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By WK Editorial Staff

Reported Fed staff cuts “recycling its pre-2008 financial crisis playbook.”

Citing a Wall Street Journal news article (behind paywall), the American Bankers Association has reported that the Federal Reserve plans to reduce its bank supervision staff by 30%, cutting the division from 500 to approximately 350 employees by the end of next year. The move, announced by Vice Chair for Supervision Michelle Bowman, is part of a broader restructuring effort aimed at streamlining operations and improving regulatory efficiency. Staff reductions are expected to occur through attrition, retirements, and voluntary separation incentives. In response, Sen. Elizabeth Warren (D-Mass.) criticized the decision, warning that the Fed is “recycling its pre-2008 financial crisis playbook” and accused the agency of undermining financial stability while granting “big banks their deregulatory wish list”. Warren, the Ranking Member of the Senate Banking Committee, expressed concern that the cuts could leave American families vulnerable to future financial shocks. The Fed has not publicly commented on the reported reductions.

Companies: American Bankers Association

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