Banking and Finance Law Daily Wrap Up, FEDERAL RESERVE SYSTEM—Warren probes Fed Chair nominee regarding views on Trump policy, comments, (Feb. 2, 2026)

Banking and Finance Law Daily Wrap Up

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By Joe Cox, J.D.

Warren asked Warsh whether he approved of five Trump statements and whether he approved of the criminal investigations of Fed Chair Powell and Fed Governor Cook.

In a recent letter, Senator Elizabeth Warren (D-Mass.), the Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, probed recent Chairman of the Federal Reserve nominee Kevin Warsh as to his views on the recent Department of Justice criminal investigation of Fed Governor Lisa Cook and Fed Chair Jerome Powell. She also cited five statements from President Trump about Powell and asked whether Warsh felt the statements reflected "an appropriate posture towards the independent Fed Chair."

In a press release accompanying her letter, Warren noted the importance of the Federal Reserve "to exercise its significant powers independent from the political whims of the White House and the profit motives of Wall Street." She further stated, "A willingness to exercise independent judgment in the best interest of American families and to refuse to serve as President Trump's sock puppet is a bare minimum qualification for the job of Fed Chair."

Warsh's nomination. Kevin Warsh was nominated on January 30th to take over the role of Fed Chair from Powell, whose term will end in May of this year. Warsh's confirmation by the Senate will likely be a combative process, with Senator Warren's letter confirming the concerns likely to originate from Democrats in regard to Warsh's appointment and potential confirmation.

The American Bankers Association and Financial Service Forum both had initial positive reactions to Warsh's nomination. Warsh previously served as a member of the Federal Reserve Board of Governors from 2006 to 2011. (See *Banking and Finance Law Daily,* Jan. 30, 2026).

Warren questions. Aside from asking if Warsh approved of the criminal investigations of Governor Cook and Chair Powell, Senator Warren quoted five statements from President Trump in regard to Powell, whom the President has extensively criticized, and asked Warsh if the felt the statements were appropriate. Specifically, those statements were:

(1) "He's got some real mental problems. There's something wrong with him. It's just ridiculous. I'll be honest, I'd love to fire his ass. He should be fired."
(2) "So we're thinking about bringing a gross incompetence, what's called a gross incompetence lawsuit, it's gross incompetence, against Powell…I'd love to fire him. Maybe I still might."
(3) "I don't know why the Board doesn't override [Powell]...Maybe, just maybe, I'll have to change my mind about firing him?"
(4) "'Too Late' Jerome Powell of the Fed, who is always TOO LATE AND WRONG, yesterday issued a report which was another, and typical, complete 'mess!' […] Too Late should have lowered Interest Rates […] long ago, but he should certainly lower them now. Powell's termination cannot come fast enough!"
(5) "I talked about the concept of firing him. I said, 'what do you think?' Almost everyone of them said I should…but I'm more conservative." [...] "I don't rule out anything but I think it's highly unlikely unless he has to leave for fraud…I mean it's possible there's fraud involved with the $2.5 billion renovation."

Senator Warren requested a response from Warsh by February 6th in regard to her questions.

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