

Banking and Finance Law Daily Wrap Up, FEDERAL RESERVE SYSTEM— Sides stake out stances for, against Fed Board nominees, (Jan. 31, 2022)

Banking and Finance Law Daily Wrap Up

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By Jeff Williams

The support expressed by Senate Banking Committee Chairman Sherrod Brown and the objections raised by ranking committee member Pat Toomey highlight the divergent views on the nominees.

President Biden's nominations of Sarah Bloom Raskin for Federal Reserve Board Vice Chair for Supervision, and the nominations of Lisa Cook and Philip Jefferson to be members of the Board of Governors have drawn a mix of support and skepticism from various corners ahead of a scheduled Thursday hearing in front of the Senate Banking, House, and Urban Affairs Committee.

Committee Chairman Sherrod Brown (D-Ohio) praised all three nominees and [urged](#) his colleagues to "end their baseless smear tactics" and vote to approve them. Bloom Raskin, Cook, and Jefferson will bring "new and important perspectives that matter most to Americans' lives," including raising wages, increasing job opportunities, and lowering prices, Brown said.

"There is no question that these nominees are qualified," Brown said. "They are well established and respected in the public and private sectors and academia. They also have bipartisan support from top economists, former Fed Governors, bankers, and other organizations. In my meetings with them, they made clear that they understand how our economy works--and who makes it work." In contrast to criticism from some Republicans, Brown said the nominees have been "fully transparent" and provided requested information to the committee.

Sen. Pat Toomey (R-Pa), the ranking member of the committee, issued a [release](#) stating he has "serious concerns" about the nominations of Bloom Raskin and Cook. Toomey criticized what he called their "shoddy compliance" with the Senate confirmation process, including "numerous omissions" in their responses to questionnaires sent to them by the committee.

"Ms. Raskin and Professor Cook aren't being nominated for dog catcher," Toomey said. "They've been selected for important and powerful positions at the Fed. That's why it's so concerning that a substantial volume of materials were not turned over to the Committee until we independently discovered dozens of omissions and requested the nominees update their questionnaires."

Bloom Raskin, Toomey said, submitted an 11-page addendum to her nominee questionnaire listing "hundreds of pages of documents and hours of audio-video material that she had initially failed to disclose." Among the documents Bloom Raskin had originally omitted, Toomey pointed to the omission of a [letter](#) Raskin wrote in 2018 "harshly attacking" the Economic Growth, Regulatory Relief, and Consumer Protection Act" for doing "little or nothing" to strengthen committee banks.

Toomey also noted Cook submitted a five-page addendum to her nomination packet also listing hundreds of pages and hours of audio-video material that were initially omitted. The senator specifically noted the omission of a [webinar presentation](#) Cook gave in 2021, in which she "expressed her support for a partisan Democrat pro-reparations bill—the Commission to Study and Develop Reparation Proposals for African Americans Act."

The omissions show "a lack of respect for Congress and raises concerns about the nominees' willingness to comply with future congressional inquiries and oversight efforts," he said.

During an appearance on the Fox Business channel, committee member Kevin Kramer (R-ND) [expressed](#) varying degrees of objections to all three nominees. "I don't think it will be a bipartisan confirmation process," he

said. "My hope is we fight like heck as Republicans to get some moderate Democrats on board and stop one or two of these."

In addition to contending Cook is "just fundamentally not qualified," Kramer said he has "great concerns" about Bloom Raskin, specifically views that are "radical in terms of approach on climate and fossil fuels." Quoting her as saying a "transformation of the American" is needed to deal with climate change, Kramer said: "Well, we have the greatest economic system in the world and I don't want it transformed fundamentally or any other way. Our markets work really, really well."

UAW President Ray Curry [lauded](#) all three nominations and urged the Committee to "swiftly confirm" them. Curry called the nominations of Cook and Jefferson to the Board of Governors "a breath of fresh air as they bring much needed diversity and with that a deeper appreciation as to how the Fed influences the daily lives of all UAW members, retirees and working Americans throughout the country." Regarding Bloom Raskin's nomination, Curry said, "President Biden has acted to ensure average Americans will have a seat at the table when important economic decisions are made."

The U.S. Chamber of Commerce [urged](#) the committee to "raise several important issues" with Bloom Raskin, including her view on, among other things, the role of banks in the response to the COVID-19 pandemic, climate change, the independence of the Federal Reserve, financial stability and international standards of financial regulation, and banking competition.

"Some of Ms. Raskin's past actions and statements have raised concerns among the U.S. business community and merit the Committee's scrutiny," Tom Quaddman, the executive vice president of the Chamber's Center for Capital Markets Competitiveness, said in a letter to Brown and Toomey. Among the list of topics, Quaddman suggested the committee ask Bloom Raskin to, "Please explain her statements proposing to deny oil and gas companies access to the Federal Reserve's 13(3) emergency lending facilities, including those explicitly authorized by Congress via the CARES Act."

Quaddman also asked the committee to "secure a commitment from Ms. Raskin to maintain the political independence of the Board and stay committed to its statutory mission."

RegulatoryActivity: FederalReserveSystem