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**United States Senate**  
COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS  
WASHINGTON, DC 20510-6075

July 10, 2020

The Honorable Mike Crapo  
Chair  
Committee on Banking, Housing, and  
Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Crapo:

It is no surprise that we have serious concerns with President Trump's nomination of Judy Shelton to be a member of the Board of Governors of the Federal Reserve System. But those concerns are compounded during this unprecedented health and economic crisis.

Right now, we continue to face a global health pandemic of a scale that we have never seen before. In the United States, there are over 3 million cases, and over 132,000 Americans have died from COVID-19.<sup>1</sup> Amidst this crisis, the Federal Reserve has had to take quick and extraordinary action to respond to the economic fallout. Interest rates are at zero. Thirty-three million Americans have lost their jobs.<sup>2</sup> Workers and small businesses are worrying about their health and safety and future viability, including basic things like how to pay their employees and rent. And, experts predict that the recent surge of coronavirus cases across the country could make the current economic downturn even worse.<sup>3</sup>

Now more than ever, the Federal Reserve's independence and stability is absolutely critical to our economic recovery. Yet, Dr. Shelton does not believe that the Federal Reserve should be shielded from political whims, and she has advocated for failed Great Depression-era policies – like a return to the gold standard and the removal of deposit insurance – that would make our economy more volatile.

As her answers before the Committee evidence, Dr. Shelton is unprepared to handle an economic crisis, like the one we are currently facing. When asked what she would do in response to an economic crisis where consumer confidence and spending drops, unemployment jumps and we are in a recession, Dr. Shelton could not provide a substantive and coherent answer.<sup>4</sup> She could

<sup>1</sup> <https://coronavirus.jhu.edu/map.html>, last accessed July 9, 2020.

<sup>2</sup> <https://www.cnbc.com/2020/07/09/coronavirus-unemployment-benefits-claims-are-the-worst-in-history.html>

<sup>3</sup> <https://www.forbes.com/sites/sergeiklebnikov/2020/07/09/dow-falls-350-points-amid-renewed-coronavirus-fears-and-worrying-economic-outlook/#71abcea937d7>; <https://www.wsj.com/articles/new-coronavirus-surges-stall-economic-recovery-11594209321>

<sup>4</sup> U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, Nomination Hearing, February 13, 2020, 116th Cong. 2.

not describe – even in the most general of terms – what tools the Federal Reserve possesses, which tools it should use, or whether the United States should engage in stimulus spending.

We are now in an economic crisis worse than the one Dr. Shelton was asked about at her confirmation hearing. Based on her answers at the hearing, we are deeply concerned that the situation we are in today would have been worse if Dr. Shelton were already sitting on the Board of Governors.

Mr. Chairman, we urge you to hold another hearing on Dr. Shelton’s nomination before considering a markup of her nomination. Congress and the American people need answers. We need to make sure that members of the Federal Reserve can take on the challenges of an economic crisis capably and independently, and in a way that protects the workers, businesses, and communities that make our economy run.

Sincerely,

/s/ Sherrod Brown  
Sherrod Brown  
United States Senator

/s/ Jack Reed  
Jack Reed  
United States Senator

/s/ Robert Menendez  
Robert Menendez  
United States Senator

/s/ Jon Tester  
Jon Tester  
United States Senator

/s/ Mark R. Warner  
Mark R. Warner  
United States Senator

/s/ Elizabeth Warren  
Elizabeth Warren  
United States Senator

/s/Brian Schatz  
Brian Schatz  
United States Senator

/s/ Chris Van Hollen  
Chris Van Hollen  
United States Senator

/s/ Catherine Cortez Masto  
Catherine Cortez Masto  
United States Senator

/s/ Doug Jones  
Doug Jones  
United States Senator

/s/ Tina Smith  
Tina Smith  
United States Senator

/s/ Kyrsten Sinema  
Kyrsten Sinema  
United States Senator