Congress of the United States

Washington, DC 20515

March 10, 2026

The Honorable Michelle Bowman
Vice Chair for Supervision
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

Dear Vice Chair Bowman:

Today marks three years since the collapse of Silicon Valley Bank (SVB) triggered a banking crisis that necessitated another round of government bailouts to prevent broader contagion and economic devastation.[1] We are deeply troubled that three years after the third-largest bank failure in U.S. history, the Federal Reserve Board (Fed) has yet to hold SVB's executives accountable for egregious violations of federal banking laws and regulations. Your inaction signals to all current big bank executives that they too are above the law and will not face consequences for putting the stability of the banking system at risk. We write to request further information regarding the status of the Fed's investigation into SVB's executives and urge you to swiftly impose civil money penalties and industry bans. It's long past time for accountability.

In the years leading up to its failure, SVB tripled in size, growing rapidly from less than $60 billion in total assets in 2019 to $209 billion by the end of 2022.[2] Thanks to the big bank deregulation you championed during the first Trump Administration, SVB was free to load up on risk without sufficient guardrails and appropriate scrutiny. Notably, at the end of 2022, a staggering 94 percent of SVB's total deposits were uninsured.[3] And SVB's deposits were highly concentrated in venture capital-backed technology and life sciences companies.[4] The problems intensified as the Fed increased interest rates throughout 2022, causing unrealized losses on the bank's large fixed rate bond portfolio.[5] On March 8, 2023, SVB announced that it had sold $21 billion in securities at a loss of almost $2 billion and planned to raise additional capital, promptly

[1] Forbes, "What to Know About Silicon Valley Bank's Collapse—The Biggest Bank Failure Since 2008," Conor Murray, March 13, 2023, https://www.forbes.com/sites/conormurray/2023/03/13/what-to-know-about-silicon-valley-banks-collapse-the-biggest-bank-failure-since-2008/?sh=5b6496c84c27.

[2] Federal Deposit Insurance Corporation, "Silicon Valley Bank: Financial & Regulatory Reporting - FDIC Cert #24735," March 2019, https://banks.data.fdic.gov/bankfind-suite/financialreporting/details/24735?cert=24735; Federal Financial Institutions Examination Council "Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031," December 2022, https://cdr.ffiec.gov/Public/ViewFacsimileDirect.aspx?ds=call&idType=fdiccert&id=24735&date=12312022.

[3] Board of Governors of the Federal Reserve System, Office of Inspector General, "Material Loss Review of Silicon Valley Bank," September 25, 2023, p. 9, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.

[4] Board of Governors of the Federal Reserve System, "Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, p. 2, https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf.

[5] FRED, "Federal Funds Effective Rate," https://fred.stlouisfed.org/series/FEDFUNDS.

spurring a run on the bank.[6] The next day, depositors withdrew $40 billion from the bank, and on March 10, 2023, after an expected additional $100 billion in withdrawal requests, the bank was shut down by the California Department of Financial Protection and Innovation.[7]

Following SVB's failure, the Fed conducted an initial review and found that the bank failed, in part, due to "a textbook case of mismanagement by the bank. Its senior leadership failed to manage basic interest rate and liquidity risk. Its board of directors failed to oversee senior leadership and hold them accountable."[8] SVB's executives manipulated risk model assumptions, without any legitimate basis, to cover up internal risk limit breaches; removed hedges on securities portfolios for the sole purpose of boosting short-term profits and the bank's stock price; and approved dividends when the bank was in an extremely vulnerable financial position.[9] The FDIC conducted a thorough investigation of the conduct of SVB's Board of Directors and senior management, as receiver of the failed bank, and ultimately sued seventeen former directors and officers of SVB for "negligence, gross negligence, and breaches of fiduciary duty."[10] The FDIC concluded that the executives "ignored fundamental standards of prudent banking and SVB's own risk policies in pursuit of short-term profit for the Bank's parent, SVB Financial Group."[11] The FDIC's investigation made it clear that the bank's executives played a significant role in the bank's failure.

While the FDIC has taken initial steps to hold the executives accountable in its role as receiver, the Federal Reserve, which has a more rigorous set of tools as the primary federal regulator of SVB, has yet to act. In response to a letter from one of us last year, on the second anniversary of SVB's collapse, Chair Powell wrote, "We take this responsibility seriously, and Board staff has been investigating bank leadership's involvement in the circumstances leading up to the collapse. Should we determine that an executive or director formerly affiliated with SVB or SVBFG engaged in actionable wrongdoing, we will act to fully hold that person (or persons) accountable."[12] However, another year has passed and the Fed has still not exercised its authorities to hold SVB executives accountable. The Fed has the authority to impose civil money penalties for unsafe and unsound practices and other legal violations.[13] It also has the authority to ban executives from the banking industry if the unsafe or unsound practice or other legal violation caused financial loss for the bank and involved, "personal dishonesty […] or demonstrates willful or continuing disregard by such party for the safety or soundness of such insured depository institution."[14]

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[6] Silicon Valley Bank, "SVB Financial Group Announces Proposed Offerings of Common Stock and Mandatory Convertible Preferred Stock," press release, March 8, 2023, https://ir.svb.com/news-and-research/news/news-details/2023/SVB-Financial-Group-Announces-Proposed-Offerings-of-Common-Stock-and-Mandatory-Convertible-Preferred-Stock/default.aspx.
[7] Board of Governors of the Federal Reserve System, "Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, p.i, https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf.
[8] *Id.*
[9] Board of Governors of the Federal Reserve System, "Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, pp. 3, 62, https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf; Federal Deposit Insurance Corporation v Becker et al, 5:25-cv-569 (N.D. Cal., 2025).
[10] Federal Deposit Insurance Corporation v Becker et al, 5:25-cv-569 (N.D. Cal., 2025).
[11] *Id.*
[12] On file with the Senate Banking, Housing, and Urban Affairs Committee.
[13] 12 U.S.C 1818(i)(2).
[14] 12 U.S.C. 1818(e)(1)(C).

Instead of pursuing rulemakings to prevent SVB-style crashes or holding the executives responsible for the collapse accountable, you are spending your time and taxpayer resources trying to re-write history. Several analyses, including those conducted by the Fed and the Fed's Inspector General, found that the deregulation implemented by President Trump's first Vice Chair for Supervision Randal Quarles, which you strongly supported, contributed to SVB's failure.[15] Despite these analyses, you are commissioning an "independent review" by a consulting firm that is affiliated with Quarles, arguably the person most responsible for SVB's failure, and President Trump's first Director of the National Economic Council, Gary Cohn.[16] In addition, you are further weakening big bank safeguards, reducing staff in the Division of Supervision and Regulation by 30 percent,[17] and you have reportedly removed Fed bank examiners from their roles after bank executives lodged complaints with you.[18]

Given that three years have passed, and the Fed has yet to take action, we request that you answer the following questions by March 24, 2026:

1. Has the Fed concluded its investigation into the conduct of the former executives of Silicon Valley Bank?
    a. If so, why has the Fed not yet exercised its authorities under 12 U.S.C. 1818(i) to impose civil money penalties on institution-affiliated parties or its authorities under 12 U.S.C. 1818(e) to ban institution-affiliated parties from the banking industry?
    b. If not, when does the Fed expect to complete its investigation?

2. Do you believe it is an unsafe and unsound practice for bank executives to manipulate risk model assumptions, without any legitimate basis, to cover up internal risk limit breaches?

3. Do you believe it is an unsafe and unsound practice for bank executives to remove hedges on securities portfolios for the sole purpose of boosting short-term profits and the bank's stock price?

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[15] Board of Governors of the Federal Reserve System, "Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, p. 11, https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf; Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau, Office of Inspector General, "Material Loss Review of Silicon Valley Bank," September 2023, p. 18, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.

[16] The Wall Street Journal, "How Trump's Ally at the Fed Is Remaking Bank Oversight," Dylan Tokar and Nick Timiraos, January 25, 2026, https://www.wsj.com/economy/central-banking/how-trumps-ally-at-the-fed-is-remaking-bank-oversight-b1f0fab3; Starling Trust Sciences, "Who We Are," https://starlingtrust.com/who-we-are/; Starling Trust Sciences, "Contributor: Randal Quarles," https://insights.starlingtrust.com/contributor/randal-quarles.

[17] Banking Dive, "Fed eyes 30% cut in supervision, regulation unit," Dan Ennis, November 3, 2025, https://www.bankingdive.com/news/federal-reserve-30-percent-employee-cuts-supervision-regulation-2026-bowman-bessent-powell/804518/.

[18] The Wall Street Journal, "How Trump's Ally at the Fed Is Remaking Bank Oversight," Dylan Tokar and Nick Timiraos, January 25, 2026, https://www.wsj.com/economy/central-banking/how-trumps-ally-at-the-fed-is-remaking-bank-oversight-b1f0fab3.

4. Do you believe it is an unsafe and unsound practice for bank executives to approve dividends when the bank is in an extremely vulnerable financial position?

5. Please list the rulemakings the Fed has completed, individually or jointly, that are responsive to the weaknesses in the regulatory framework demonstrated by the failure of Silicon Valley Bank.

6. How does the reduction of supervision staff and weakening the supervisory rating framework for big banks help address the mismanagement concerns, which were found in part to lead to SVB's failure?

Sincerely,

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

Maxine Waters
Ranking Member
Committee on Financial
Services