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

June 3, 2026

The Honorable Michelle W. 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:

We write to request additional information regarding your decision to hire the consulting firm Starling Trust Sciences (STS) to conduct a new review of the 2023 failure of Silicon Valley Bank (SVB). The firm appears to be deeply connected to your former colleague, Randal Quarles, who served as President Trump's first Federal Reserve Vice Chair for Supervision. Mr. Quarles was the architect of the 2019 big bank deregulation, which you voted for as a Fed Governor, that multiple government reviews have identified as a key contributor to SVB's failure.[1] Mr. Quarles's connection to STS presents a clear conflict of interest and further suggests that this review is a partisan sham. We ask that you stop wasting taxpayer money and terminate it immediately.

You recently hired STS to "conduct a fresh review of the 2023 failure of Silicon Valley Bank."[2] In a February 18, 2026 letter, we requested documents and information related to the review, given our concerns that it may be little more than a publicly funded effort to shift blame for SVB's failure away from the big bank deregulation you supported during President Trump's first term.[3] Specifically, you voted to deregulate SVB in 2019; the bank then failed spectacularly in 2023; and the formal government reviews from the Fed and Fed OIG both found that the

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[1] Board of Governors of the Federal Reserve System, "Re: Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, p. 10, 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 25, 2023, p. 18, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf; Board of Governors of the Federal Reserve System, "Board Votes 2019: Federal Reserve Board finalizes rules that tailor its regulations for domestic and foreign banks to more closely match their risk profiles," https://www.federalreserve.gov/aboutthefed/boardvotes2019.htm.
[2] 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.
[3] Letter from U.S. Senators Elizabeth Warren, Bernard Sanders, and Richard Blumenthal to Federal Reserve Vice Chair for Supervision, Michelle Bowman, February 18, 2026, https://www.banking.senate.gov/imo/media/doc/letter_to_bowman_re_svb_analysis.pdf.

deregulation was a key contributing factor.[4] To this point, you have refused to respond to our requests.

Since our letter, new information has come to light suggesting the firm you hired to conduct the review has a significant conflict of interest. On April 13, 2026, STS published a new report, "Supervisors on Supervision."[5] The report's "Chair," who is featured prominently in the materials promoting the report, was Randal Quarles.[6] Unsurprisingly, the report seeks to downplay the role that Mr. Quarles's deregulatory agenda played in the collapses of First Republic, SVB, and Signature Bank, which were the second, third, and fourth largest bank failures in U.S. history. For example, the report states "the bank failures and near-failures of 2023 exposed weaknesses that were not balance-sheet problems in the first instance," and "recent bank failures have nevertheless shown that capital cushioning can be undone by governance failures, broken feedback loops, and cultural drift."[7] By focusing more on governance failures or "cultural drift" than deregulation and lax supervision, the report shifts blame away from your and Mr. Quarles's deregulatory actions during President Trump's first term.[8] In addition, Mr. Quarles used the opening letter of the report to recycle his pro-big bank views that policymakers should limit bank supervisors' discretion and provide banks with more "due process."[9]

Mr. Quarles's connection to STS is deeper than just chairing this new report. Mr. Quarles penned the "opening letter" for STS's 2025 "Deeper Dive Report,"[10] participated in an STS fireside chat in 2024,[11] and provided an exclusive interview accessible to STS members in 2023.[12] It also appears that Mr. Quarles has participated in other events with STS's co-founder.[13]

Arguably more than any other policymaker, Mr. Quarles's actions were responsible for the second, third, and fourth largest bank failures in U.S. history in 2023, including the failure of SVB. In 2018, then-Vice Chair Quarles stated that changing the Fed's supervisory culture "will be the least visible thing I do and it will be the most consequential thing I do."[14] The Fed's SVB post-mortem confirmed that his effort to alter the Fed's supervisory culture had an impact: "staff

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[4] Board of Governors of the Federal Reserve System, "Re: Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, p. 10, 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 25, 2023, p. 18, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.

[5] Starling Trust Sciences, "Supervisors on Supervision," April 13, 2026, https://21211564.hs-sites.com/hubfs/Deeper%20Dive%20-%20Supervisors%20on%20Supervision%20Final%20Report%20-%20Apr2026.pdf.

[6] *Id.,* p. 2

[7] *Id.* , p. 10 and p. 19.

[8] *Id.* p. 19

[9] *Id.*, p.4.

[10] Starling Trust Sciences, "Supervisors on Supervision: Opening Letter," December 15, 2025, https://insights.starlingtrust.com/content/deeper-dive/supervisors-on-supervision-opening-letter.

[11] Starling Trust Sciences, "Starling Fireside Chat with Margaret Tahyar and Randal Quarles," Margaret E. Tahyar, Randal Quarles, and Stephen Scott, June 11, 2024, https://insights.starlingtrust.com/content/compendium/starling-fireside-chat-with-margaret-tahyar-and-randal-quarles.

[12] Starling Trust Sciences, "An Interview with Randal Quarles," Randal Quarles, June 7, 2023, https://insights.starlingtrust.com/content/compendium/an-interview-with-randal-quarles.

[13] Systemic Risk Centre, "Supervisors on Supervision - Culture in the Financial Sector," September 22, 2025, https://www.systemicrisk.ac.uk/events/supervisors-supervision-culture-financial-sector.

approached supervisory messages, particularly supervisory findings and enforcement actions, with a need to accumulate more evidence than in the past, which contributed to delays and in some cases led staff not to take action."[15]

In addition, Mr. Quarles was the architect of the banking agencies' "tailoring [rule]," which significantly loosened regulatory and supervisory guardrails on banks with $50 billion to $250 billion in assets.[16] Following the collapse of SVB, the Federal Reserve Board released a comprehensive review of the agency's failure to appropriately oversee the bank.[17] Several months later, the Fed's Office of Inspector General (OIG) released a Material Loss Review of SVB's failure.[18] Both official post-mortem analyses found that the "tailoring rule," was a key contributing cause.[19]

It is not clear what role, if any, Mr. Quarles will play in the SVB review you hired STS to conduct. But it seems highly unlikely that STS would conduct a review that identifies deregulation and the erosion of supervision as proximate causes of SVB's failure, when those policies were designed by a prominent former policymaker affiliated with the firm and were supported by the current policymaker who hired the firm to conduct the review in the first place.

I ask that you terminate this conflicted review, immediately provide the information and documents requested in our February 18, 2026, letter, and answer the following supplemental questions by June 17, 2026:

1. When hiring STS to conduct a new review of SVB's failure, were you aware that Randal Quarles was affiliated with the consulting firm?

2. Provide copies of all communications between you and Mr. Quarles since June 4, 2025, regarding STS, including STS's review of SVB's failure.

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[14] The Wall Street Journal, "Banks Get Kinder, Gentler Treatment Under Trump," Lalita Clozel, December 12, 2018, https://www.wsj.com/articles/banks-get-kinder-gentler-treatment-under-trump-11544638267.

[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.

[16] Board of Governors of the Federal Reserve System, "Opening Statement by Vice Chair for Supervision Randal K. Quarles," press release, October 10, 2019, https://www.federalreserve.gov/newsevents/pressreleases/quarles-opening-statement-20191010.htm; Board of Governors of the Federal Reserve System, "Federal Reserve Board finalizes rules that tailor its regulations for domestic and foreign banks to more closely match their risk profiles," press release, October 10, 2019, https://www.federalreserve.gov/newsevents/pressreleases/bcreg20191010a.htm.

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

[18] 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 25, 2023, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.

[19] Board of Governors of the Federal Reserve System, "Re: Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank," April 28, 2023, p. 10, 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 25, 2023, https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf.

3. Are you aware of any financial relationship between Randal Quarles and STS?

4. What role, if any, is Randal Quarles playing in the review of SVB's failure?

5. Do you believe the SVB review can be characterized as "independent" when the firm you hired is affiliated with President Trump's first Vice Chair for Supervision?

6. Do you believe that STS has at least the appearance of a conflict of interest, given that the firm was hired to conduct a review of SVB's failure, while maintaining an affiliation with the person whose policy agenda was implicated by formal government reviews as contributing to SVB's failure?

7. Is STS seeking to sell any software, analytics tools, or other products or services to the Federal Reserve?

Sincerely,

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

Richard Blumenthal
United States Senator