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

LAURA SWANSON, STAFF DIRECTOR
BRAD GRANTZ, REPUBLICAN STAFF DIRECTOR

October 12, 2021

Greg L. Armstrong
Chairman
Board of Directors
Federal Reserve Bank of Dallas
2200 N. Pearl Street
Dallas, TX 75201

Dear Chairman Armstrong:

It has come to our attention that policymakers in Washington, D.C. are attempting to influence the selection of a new president of the Federal Reserve Bank of Dallas to fill the vacancy created by the recent resignation of President Robert Kaplan.¹ As you know, pursuant to federal law, the Regional Federal Reserve Bank presidents are selected by their local boards.² As such, it is highly disconcerting to learn that political actors in D.C. are seeking to insert themselves into this selection process, which has long been independent, nonpartisan, and merit-based.

Several Regional Federal Reserve Banks have embraced politically-charged social causes outside of the Federal Reserve's historical mission and statutory mandate.³ This mission creep threatens the credibility and independence of the Federal Reserve. The role and purpose of the Regional Federal Reserve Banks is to limit the concentration of power in D.C. and represent the economic interests of their respective regions, not to engage in partisan politics. Accordingly, we hope you and the other members of the board of directors will disregard such political and ideologically-driven pressure and will faithfully carry out your statutory duty to independently select a bank president in a manner that is fair, transparent, and unaffected by political influence. Furthermore, we trust you will select a well-qualified nominee who will both act in the best interests of the

¹ See e.g., Tweet of Rep. Joyce Beatty, Twitter (Oct. 1, 2021) ("Proud to have pushed Fed Chair Powell to redouble efforts to find diverse leaders for not one but two high-profile openings at the central bank."), <https://twitter.com/RepBeatty/status/1444053916421853185>; Howard Schneider, *Fed's Powell pledges diversity focus in filling reserve bank openings*, Reuters (Sept. 30, 2021), <https://www.reuters.com/article/usa-fed-ethics-idTRNIKBN2GQ1UD>.

² 12 U.S.C. § 221 *et seq.*

³ See e.g., Minority Press Release, *Toomey Launches Review of Mission Creep by Regional Federal Reserve Banks*, Senate Committee on Banking, Housing, and Urban Affairs (Mar. 29, 2021), <https://www.banking.senate.gov/newsroom/minority/toomey-launches-review-of-mission-creep-by-regional-federal-reserve-banks>; Minority Press Release, *Toomey Expands Review of Mission Creep by Regional Federal Reserve Banks*, Senate Committee on Banking, Housing, and Urban Affairs (May 24, 2021), <https://www.banking.senate.gov/newsroom/minority/toomey-expands-review-of-woke-mission-creep-by-regional-federal-reserve-banks>.

Federal Reserve Bank of Dallas and seek to preserve the independence and credibility of the Federal Reserve by adhering to its narrow statutory mission.

In addition, if you or any other member of the board of directors receives any outside attempt to influence your selection of a new president, we ask that you promptly notify us of any such effort.⁴

Thank you for your attention to this matter.

Sincerely,



Pat Toomey
U.S. Senator



Richard Shelby
U.S. Senator



Mike Crapo
U.S. Senator



Tim Scott
U.S. Senator



M. Michael Rounds
U.S. Senator



Thom Tillis
U.S. Senator



John Kennedy
U.S. Senator



Bill Hagerty
U.S. Senator



Cynthia Lummis
U.S. Senator



Jerry Moran
U.S. Senator

⁴ This request encompasses any attempt to influence your selection of a new president by any individual outside of your board of directors.



Kevin Cramer
U.S. Senator



Steve Daines
U.S. Senator

cc: The Honorable Sherrod Brown, Chairman, Senate Committee on Banking, Housing, and
Urban Affairs