

TIM SCOTT, SOUTH CAROLINA, CHAIRMAN
ELIZABETH WARREN, MASSACHUSETTS, RANKING MEMBER

MIKE CRAPO, IDAHO
MIKE ROUNDS, SOUTH DAKOTA
THOM TILLIS, NORTH CAROLINA
JOHN KENNEDY, LOUISIANA
BILL HAGERTY, TENNESSEE
CYNTHIA LUMMIS, WYOMING
KATIE BOYD BRITT, ALABAMA
PETE RICKETTS, NEBRASKA
JIM BANKS, INDIANA
KEVIN CRAMER, NORTH DAKOTA
BERNIE MORENO, OHIO
DAVID MCCORMICK, PENNSYLVANIA

JACK REED, RHODE ISLAND
MARK R. WARNER, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
CATHERINE CORTEZ MASTO, NEVADA
TINA SMITH, MINNESOTA
RAPHAEL G. WARNOCK, GEORGIA
ANDY KIM, NEW JERSEY
RUBEN GALLEGO, ARIZONA
LISA BLUNT ROCHESTER, DELAWARE
ANGELA D. ALSOBROOKS, MARYLAND

CATHERINE FUCHS, STAFF DIRECTOR
JON DONENBERG, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

February 3, 2026

The Honorable Tim Scott
Chairman
U.S. Senate Committee on Banking, Housing, and Urban Development
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Scott:

On January 30, 2026, President Trump announced the nomination of Kevin Warsh to serve as the next Chair of the Board of Governors of the Federal Reserve System (“Fed” or “Federal Reserve”).¹ The nomination comes after months of repeated efforts by President Trump and his Administration to influence the Fed by intimidation, including by opening criminal investigations into Fed Governor Lisa Cook² and Fed Chair Jerome Powell.³ These ongoing efforts by the President to control the Fed – which must be able to exercise independent judgment – undermine public confidence in any nomination for chair at this time. We demand that you delay any nomination proceedings for Mr. Warsh until after the pretextual criminal investigations involving Chair Powell and Governor Cook have been closed.

On Friday, January 9, 2026, the U.S. Attorney’s Office for the District of Columbia reportedly sent grand jury subpoenas to the Federal Reserve as part of a criminal investigation into Chair Powell.⁴ Specifically, according to Chair Powell, “the Department of Justice served the Federal Reserve with grand jury subpoenas, threatening a criminal indictment related to [his] testimony before the Senate Banking Committee last June” regarding “a multi-year project to renovate historic Federal Reserve office buildings.”⁵ As Chair Powell noted, “This new threat is not about my testimony last June or about the renovation of the Federal Reserve buildings. ... Those are pretexts. The threat of criminal charges is a consequence of the Federal Reserve setting interest

¹ CNN, “Trump nominates inflation hawk Kevin Warsh to replace Jerome Powell as Fed Chair,” Matt Egan, January 30, 2026, <https://www.cnn.com/2026/01/30/economy/kevin-warsh-nominated-fed-chair>.

² New York Times, “Federal Prosecutors Open Investigation Into Fed Chair Powell,” Glenn Thrush and Colby Smith, January 11, 2026, <https://www.nytimes.com/2026/01/11/us/politics/jerome-powell-fed-inquiry-trump.html>.

³ Reuters, “US Justice Department opens criminal mortgage fraud probe into Fed Governor Cook,” Sarah N. Lynch, September 4, 2025, <https://www.reuters.com/legal/government/us-justice-department-opens-criminal-mortgage-fraud-probe-into-fed-governor-cook-2025-09-04/>.

⁴ New York Times, “Federal Prosecutors Open Investigation Into Fed Chair Powell,” Glenn Thrush and Colby Smith, January 11, 2026, <https://www.nytimes.com/2026/01/11/us/politics/jerome-powell-fed-inquiry-trump.html>.

⁵ Federal Reserve, “Statement from Federal Reserve Chair Jerome H. Powell,” January 11, 2026, <https://www.federalreserve.gov/newsevents/speech/powell20260111a.htm>.

rates based on our best assessment of what will serve the public, rather than following the preferences of the President.”⁶

The Department of Justice’s investigation into Chair Powell is part of the Trump Administration’s broader effort to weaponize the federal government to take control of the Fed. Throughout 2025, President Trump repeatedly threatened to remove Chair Powell over his unwillingness to bow to the President’s demands.⁷ And in September 2025, the Department of Justice opened a criminal investigation into Federal Reserve Governor Lisa Cook for alleged mortgage fraud, just weeks after President Trump moved to illegally fire her from the Board.⁸ The Administration’s efforts to remove Governor Cook and Chair Powell represent further abuses of power and authority to target individuals perceived as political opponents of President Trump.⁹

The Administration’s apparent effort to seize control of the Fed through criminal prosecutions is dangerous and unprecedented. It would be absurd on its face to allow President Trump to handpick the next Chair of the Federal Reserve as his Department of Justice actively pursues criminal investigations of not one, but *two* sitting members of the Federal Reserve Board. This Committee should not participate in this farcical effort that threatens to undermine our democracy and confidence in our financial markets.

Therefore, we demand that you delay any nomination proceedings for Mr. Warsh until the pretextual criminal investigations against Chair Powell and other Fed board members have been closed.

Sincerely,

⁶ *Id.*; New York Times, “Federal Prosecutors Open Investigation Into Fed Chair Powell,” Glenn Thrush and Colby Smith, January 11, 2026, <https://www.nytimes.com/2026/01/11/us/politics/jerome-powell-fed-inquiry-trump.html>.

⁷ New York Times, “Trump Has Draft of Letter to Fire Fed Chair. He Asked Republicans if He Should Send It,” Maggie Haberman and Colby Smith, July 19, 2025, <https://www.nytimes.com/2025/07/16/us/politics/trump-powell-firing-letter.html>; BBC, “Fed chair Powell hits out at ‘unprecedented’ probe by US justice department,” Ana Faguy and Osmond Chia, January 12, 2026, <https://www.bbc.com/news/articles/c801k7rkdd7o>.

⁸ Reuters, “US Justice Department opens criminal mortgage fraud probe into Fed Governor Cook,” Sarah N. Lynch, September 4, 2025, <https://www.reuters.com/legal/government/us-justice-department-opens-criminal-mortgage-fraud-probe-into-fed-governor-cook-2025-09-04/>; Letter from President Trump to Governor Lisa Cook, August 25, 2025, <https://www.presidency.ucsb.edu/documents/letter-federal-reserve-governor-lisa-cook-notifying-her-her-dismissal-from-office>.

⁹ Letter from Senators Warren, Durbin, Whitehouse, Blumenthal, Peters, and Wyden to U.S. Federal Housing Finance Agency Director William J. Pulte, September 26, 2025, <https://www.banking.senate.gov/imo/media/doc/FINAL%20Letter%20to%20FHFA%20Director%20Pulte%20Mortgage%20Fraud%20Investigation%20Records.pdf>.



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



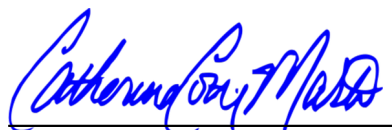
Jack Reed
United States Senator



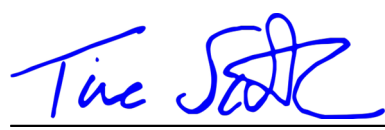
Mark R. Warner
United States Senator



Chris Van Hollen
United States Senator



Catherine Cortez Masto
United States Senator



Tina Smith
United States Senator



Raphael Warnock
United States Senator



Andy Kim
United States Senator



Ruben Gallego
United States Senator



Lisa Blunt Rochester
United States Senator



Angela D. Alsobrooks
United States Senator