

Committee on Banking, Housing, and Urban Affairs
Nomination Hearing for Mr. Joseph Gormley, Mr. Francis Cassidy, Mr. Paul Hollis, and
The Honorable Travis Hill
October 30, 2025

Questions for Mr. Travis Hill, to be Chairperson of the Board of Directors, Federal Deposit Insurance Corporation, from Ranking Member Elizabeth Warren:

Supervision & Regulation

1. Secretary Bessent stated that “Treasury has also supported congressional efforts to modernize the deposit insurance framework. I am encouraged to see emerging bipartisan support for increasing FDIC insurance limits on noninterest-bearing transaction accounts.”²

- a. Do you agree with Secretary Bessent that there should be higher limits for business payment accounts?

Response: I agree that this is a topic that is worthwhile for Congress to consider, and the FDIC is happy to engage with the Committee as the Committee considers deposit insurance reform.

- b. Do you believe small businesses should have a completely safe place to keep their money for payroll, operating expenses, and other transactions?

Response: A key benefit of deposit insurance is providing individuals and businesses with a completely safe place to keep their funds. The FDIC is happy to engage with the Committee as the Committee considers deposit insurance reform.

- c. Do you think it is appropriate that large businesses with uninsured deposits at SVB and Signature Bank were protected by the government, while small businesses with accounts at local community banks sometimes lose their uninsured deposits when the bank fails?

Response: I believe it is worth considering changes to the law that resulted in this outcome and would be happy to engage with the Committee to consider such changes.

- d. Would you support bipartisan efforts to increase deposit insurance limits for small business transaction accounts?

Response: Expanded coverage for small business transaction accounts is worthwhile for Congress to consider, and the FDIC is happy to engage with the Committee as the Committee considers options to achieve this objective.

² Department of the Treasury, “Remarks by Secretary of the Treasury Scott Bessent Before the Fed Community Bank Conference,” October 9, 2025, <https://home.treasury.gov/news/press-releases/sb0276>.

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2. Recent reporting has revealed how the biggest banks helped enable Jeffrey Epstein’s crimes. It wasn’t until Epstein was arrested in 2019 that JPMorgan finally reported nearly 5,000 suspicious transactions.³ For more than ten years, including after he was first arrested and convicted of solicitation of prostitution and procuring young girls, employees at JPMorgan and Deutsche Bank warned that maintaining ties with Epstein could harm business due to reputational concerns.⁴ This month, the FDIC proposed a rule that would prohibit FDIC examiners from identifying and addressing serious risks to a bank’s reputation – like helping manage money for a convicted pedophile.

- a. If FDIC bank examiners aren’t allowed to even ask banks about reputational risks, such as their ties to the next Jeffery Epstein, do you think banks would be more likely or less likely to maintain their relationships with convicted pedophiles?

Response: Nothing in the proposed rule would prevent an examiner from identifying a bank’s approach to services provided to individuals engaged in illegal activity, and nothing would prevent a bank from fully disassociating from such a customer.

- b. You claim the reputational risk rule is about ending the “weaponization” of the banking system. Yet nine months into your tenure as Acting Chairman, you still have not provided any examples of so-called “debanking” on political, religious, or other grounds. Could you please provide the examples of FDIC examiners “debanking” customers on these grounds that prompted this rulemaking?

Response: Over the past several years, there have been various accounts of individuals and businesses being denied or losing access to bank accounts and banking services on the basis of political, religious, or other grounds, and many of these cases have been reported in the media. The FDIC’s own role in debanking politically disfavored industries as part of Operation Chokepoint is well documented. More recently, the FDIC’s posture toward the digital asset industry effectively created a barrier for banks that wished to offer banking services to these firms.

- c. Would this rulemaking make reputational risk-related failures, like Credit Suisse, more likely?

Response: At the FDIC Board meeting to consider the proposal, I opened my statement with the following comment: “A bank’s reputation is of course

³ New York Times Magazine, “How JPMorgan Enabled the Crimes of Jeffrey Epstein,” David Enrich, Matthew Goldstein, and Jessica Silver-Greenberg, September 8, 2025, <https://www.nytimes.com/2025/09/08/magazine/jeffrey-epstein-jp-morgan.html>.

⁴ *Id.* New York Times, “Jeffrey Epstein Moved Money Overseas in Transactions His Bank Flagged to U.S.” David Enrich and Jo Becker, July 23, 2019, <https://www.nytimes.com/2019/07/23/business/jeffrey-epstein-deutsche-bank.html>.

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critically important. However, activities that might threaten a bank's reputation in a manner that could impact its safety and soundness do so through traditional risk channels (such as credit risk, liquidity risk, or market risk, among others) that supervisors already focus on." The activities at Credit Suisse that caused reputational damage were financial in nature; nothing in the proposal would prevent regulators from identifying and addressing the risks presented by such activities.

The proposal also would not affect requirements intended to prohibit or reject transactions or accounts associated with Office of Foreign Assets Control-sanctioned persons, entities, or jurisdictions; or the agencies' authority to enforcement the requirements of the provisions of 31 U.S.C. 53, subchapter II regarding reporting on monetary transactions.

3. On October 24, the Federal Reserve published its proposed stress testing scenarios and models for large banks for comment. Does revealing stress testing scenarios and models undermine the integrity of the exercise? Do you believe the holding companies of FDIC-insured banks will face lower capital requirements and be less able to serve as a source of strength for insured depositories, as a result?

Response: The FDIC defers to the Federal Reserve with respect to its October 24 notice of proposed rulemaking regarding stress testing.

4. In 2019, the federal banking agencies rolled back capital and liquidity rules, stress testing, resolution planning, and other safeguards for banks with \$100 billion - \$700 billion in assets.⁵ The level of deregulation in this rule went beyond what was mandated by Congress in the Economic Growth, Regulatory Relief, and Consumer Protection Act. You were the FDIC's Policy Director at the time.
 - a. Do you believe that material stress at, or the failure of, banks with \$100 billion - \$700 billion in assets can threaten the stability of the U.S. financial system?

Response: The bank regulatory framework should be tailored to strike an appropriate balance between (1) allowing banks to drive economic growth and serve their communities and (2) ensuring a safe, sound, and resilient banking system. The banking agencies seek to strike this balance by applying increasingly stringent requirements to banks as they increase in size and importance to the U.S. economy.

⁵ Office of the Comptroller of the Currency, Federal Reserve System, and Federal Deposit Insurance Corporation, Federal Register Notice, "Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements," November 1, 2019, <https://www.federalregister.gov/documents/2019/11/01/2019-23800/changes-to-applicability-thresholds-for-regulatory-capital-and-liquidity-requirements>.

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- b. Do you believe that the 2019 rule played *any* role in the failure of these three banks and the broader instability in the banking system in Spring 2023? If not, do you think it was purely coincidental that the very banks regulators deregulated then failed just a few years later?

Response: I have spoken extensively in the past regarding my views of the causes of the 2023 failures. First and foremost, the failures were caused by a significant interest rate shock. Large upward movements in interest rates often put pressure on financial firms and can result in failures. In this case, certain firms did a poor job managing interest rate risk. On the liability side, the firms had deposit franchises that proved susceptible to runs. I do not believe the interagency tailoring played a relevant role.

5. In 2023, the banking agencies proposed revisions to the risk-weighted capital framework to address glaring deficiencies in the existing rules, especially with respect to risky trading activities and the losses banks face due to operational failures.⁶ The rule was generally aligned with the international Basel III “Endgame” agreement.⁷

- a. Do you believe the Basel Committee on Banking Supervision plays a useful role in preventing a global race to the bottom on capital rules?

Response: Yes.

- b. Do you believe that financial crises in other countries can spill over to the U.S. banking system? Has that happened previously in U.S. history?

Response: Yes. The Basel Committee on Banking Supervision was created in part due to the failure of a foreign bank completing foreign exchange transactions. In 1974, German authorities liquidated Herstatt Bank which caused losses in U.S. banks that had sent foreign payments to Herstatt Bank but did not receive dollar payments in return due to the closure of Herstatt.

- c. Do you believe banks are currently undercapitalized against significant trading risks in their capital markets activities?

Response: Banks are subject to strong regulatory capital requirements with respect to their trading activities. Basel III contains a new market risk framework that represents an improvement when compared to the existing risk-based capital

⁶ Office of the Comptroller of the Currency, Federal Reserve System, and Federal Deposit Insurance Corporation, Federal Register Notice, “Regulatory Capital Rule: Large Banking Organizations and Banking Organizations With Significant Trading Activity,” September 18, 2023, <https://www.federalregister.gov/documents/2023/09/18/2023-19200/regulatory-capital-rule-large-banking-organizations-and-banking-organizations-with-significant>.

⁷ Bank for International Settlements, “Governors and Heads of Supervision finalise Basel III reforms,” press release, December 7, 2017, <https://www.bis.org/press/p171207.htm>.

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standards by better capturing tail events and market liquidity risk of trading positions. Currently, under the Federal Reserve Board's stress testing framework, trading positions are subject to Global Market Shocks that represent forward-looking stress scenarios designed to capture tail events and market liquidity risk.

- d. What is the total volume of operational risk losses banks have had in the past 10 years? What part of the capital framework is intended to capture such losses?

Response: The Federal Reserve collects data on historical operational risk losses for stress testing purposes, which is submitted confidentially. The Federal Reserve incorporates operational losses within its stress testing framework. For banks included in the Federal Reserve's 2025 stress test, operational risk losses were projected to be \$179 billion.⁸ FDIC-supervised institutions subject to the advanced approaches capital requirements are required to calculate risk-weighted assets for operational risk.

- e. Do you believe GSIB risk-weighted capital requirements are too low, too high, or just right? Explain.

Response: Strong capital requirements are critical to ensuring the safety and soundness of GSIBs and other institutions. However, capital requirements that are misaligned with risk can create the wrong incentives for banks and undermine their ability to drive growth in the economy through a range of economic conditions. The agencies are in the process of developing a proposal that would implement the international Basel III Endgame agreement for GSIBs and is intended to improve the risk sensitivity of the risk-based capital framework.

- f. Do you believe the pandemic demonstrated that big banks had adequate capital, or do you think their resilience was primarily bolstered by unprecedented monetary and fiscal support from the government?

Response: The strong capital position of the largest banks during the pandemic helped enable them to support their customers and the broader economy, and reduced the need for further government support.

6. Recently, the federal banking agencies proposed to weaken the enhanced supplementary leverage ratio (eSLR), one of the most important post-financial crisis improvements to capital requirements for the eight largest Wall Street banks. This would reduce capital requirements at global systemically important banks by \$210 billion, or 27%.⁹

⁸ <https://www.federalreserve.gov/publications/files/2025-dfast-results-20250627.pdf>

⁹ Banking Dive, "Fed proposes 27% cut to tier 1 capital requirements," Dan Ennis, June 26, 2025, <https://www.bankingdive.com/news/eslr-capital-requirements-27-tier-1-bank-holding-company-bowman-barr/751767/>.

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- a. Do you believe the eSLR has improved the safety and soundness of the eight Wall Street banks?

Response: An appropriately calibrated eSLR is an important part of the regulatory capital framework for the U.S. GSIBs which helps to ensure their safety and soundness.

- b. Did the 2008 financial crisis and the complete failure of the risk-weighted capital regime demonstrate that leverage capital requirements are an important safeguard to ensure the stability of the banking system?

Response: The 2008 financial crisis demonstrated that strong leverage capital requirements are important to serve as a complementary backstop to risk-based capital requirements.

- c. If leverage ratios are binding, could that be a sign that risk-weighted capital requirements are not appropriately calibrated and should be increased?

Response: Leverage ratios may become binding for a number of reasons. The intent of the agencies' proposal is to establish an eSLR that generally serves as a backstop to risk-based capital requirements.

- d. Do you believe that reducing leverage ratios is a better way to address this situation than increasing risk-weighted capital requirements? If so, please provide the cost-benefit analysis that you developed to come to that conclusion.

Response: The current calibration of the eSLR is gold-plated above the international Basel standard. The proposal would generally align the eSLR calibration with international standards.

- e. Do banks' investments in Treasury securities carry any liquidity, operational, or market risk? If Treasury securities were exempted from the leverage ratio, which part of the capital framework would provide a buffer against losses on Treasury securities, especially in the available-for-sale and hold-to-maturity portfolios? Do you oppose exempting Treasuries and other assets from the leverage ratio?

Response: The objective of the proposal is not to benefit any one asset class, but rather to reduce the negative outcomes that may potentially come from a regularly binding supplementary leverage ratio. An example of a low-risk, low-return activity that can be negatively impacted by a regularly binding supplementary leverage ratio is U.S. Treasury market intermediation. The proposal did not propose exempting any particular assets from the denominator of the leverage ratio.

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- f. Are there any policy options available that could improve the functioning of the Treasury market without reducing the loss absorbing capital buffers at the largest banks in the country?

Response: The objective of the proposal is not to benefit any one asset class, but rather to reduce the negative outcomes that may potentially come from a regularly binding supplementary leverage ratio. An example of a low-risk, low-return activity that can be negatively impacted by a regularly binding supplementary leverage ratio is U.S. Treasury market intermediation.

- g. Does this proposal increase the risk of loss to the Deposit Insurance Fund?

Response: Insured depository institution subsidiaries of GSIBs are subject to heightened supervisory and regulatory standards, robust capital and leverage requirements, and resolution planning requirements. Furthermore, the proposal does not materially change the capital required by the GSIB holding companies and therefore capital would remain within the banking organization to absorb losses. As a result, the FDIC believes potential risks to the Deposit Insurance Fund as a result of the proposal are appropriately mitigated.

- h. In your experience at the FDIC, when an insured depository institution is on the brink of failure, how often is the holding company able to act as a source of strength to stave off failure? In resolving SVB, what was the FDIC's experience in dealing with its holding company to minimize losses to the Deposit Insurance Fund?

Response: The FDIC generally expects a parent company to serve as a source of strength to its subsidiary IDI(s). Historical experience is mixed. There are examples today in which a banking organization with profitable non-IDI subsidiaries effectively subsidizes an IDI that experiences losses over a period of years. There are other examples in which a parent company is able to raise and downstream capital to support a struggling IDI. Conversely, there are also examples in which a holding company is predominantly comprised of a subsidiary IDI and has minimal additional financial resources to support the IDI. In the case of SVB, the holding company did not provide resources to reduce losses to the Deposit Insurance Fund.

7. Recently, the federal banking agencies proposed a rescission of the 2023 CRA final rule and have weakened enforcement of fair lending laws.
- a. Do you believe decades of redlining inflicted severe harm on communities of color and low- and moderate-income communities?

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Response: I am aware of the redlining concerns described above, and the FDIC takes its responsibility to assess compliance with fair lending laws seriously.

- b. Do you believe redlining and other discriminatory lending practices are still a problem in the banking system? If so, why erode protections that help prevent such practices?

Response: The FDIC takes the concerns regarding redlining and other discriminatory lending practices seriously. The FDIC will continue to examine FDIC-supervised institutions for compliance with fair lending laws, including the Fair Housing Act and the Equal Credit Opportunity Act. The agency will also take enforcement action and/or refer certain matters to the Department of Justice and the Department of Housing and Urban Development when appropriate. In addition, under the 1995 CRA regulation, a bank's CRA performance can be adversely affected by evidence of discriminatory or other illegal credit practices.

- c. Do you believe that 98%+ of banks¹⁰ actually do enough in their communities to justify a passing CRA grade or do the exams suffer from grade inflation?

Response: The FDIC has confidence in its ability to examine and rate institutions for compliance with CRA. The agency will continue to assess its CRA supervision program and make changes where appropriate.

- d. Do you believe the 1995 regulations are sufficient?

Response: As mentioned above, the FDIC has confidence in its ability to assess banks' compliance with CRA. The FDIC will continue to assess its CRA supervision program and make changes where appropriate.

8. The banking agencies have begun rolling back safeguards meant to prevent volatility in the crypto asset markets from causing stress within the core banking system.¹¹

- a. What safeguards are necessary to ensure that stress in the crypto asset market does not infect the core banking system?

¹⁰ National Community Reinvestment Coalition, "Do CRA Ratings Reflect Differences in Performance: An Examination Using Federal Reserve Data," Josh Silver and Jason Richardson, May 27, 2020, <https://ncrc.org/do-cra-ratings-reflect-differences-in-performance-an-examination-using-federal-reserve-data/>.

¹¹ Office of the Comptroller of the Currency, "OCC Clarifies Bank Authority to Engage in Certain Cryptocurrency Activities," press release, March 7, 2025, <https://www.occ.treas.gov/news-issuances/news-releases/2025/nr-occ-2025-16.html>; Federal Deposit Insurance Corporation, "FDIC Clarifies Process for Banks to Engage in Crypto-Related Activities," press release, March 28, 2025, <https://www.fdic.gov/news/press-releases/2025/fdic-clarifies-process-banks-engage-crypto-related-activities>.

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Response: The FDIC expects that FDIC-supervised institutions conduct all activities, including crypto-related activities, in a safe and sound manner and consistent with all applicable laws and regulations. The FDIC has communicated to the supervised institutions and the public that, as with all other activities, supervised institutions should consider associated risks—including, but not limited to, market and liquidity risk; operational and cybersecurity risks; consumer protection requirements; and anti-money laundering requirements—and should engage with their supervisory team as appropriate.¹²

- b. Do you believe it's appropriate to apply heightened liquidity requirements to deposits placed at banks by a stablecoin issuer? Do you believe there should be concentration limits placed on a bank's ability to accept deposits from entities or industries that are themselves vulnerable to runs?

Response: The GENIUS Act requires payment stablecoin regulators, including the FDIC, to establish liquidity requirements for permitted payment stablecoin issuers and authorizes the FDIC (and the National Credit Union Administration) to establish deposit concentration limitations as necessary for banks' acceptance of stablecoin deposits. The FDIC is currently considering how best to implement these statutory provisions.

- c. Is it possible for a bank to hold crypto assets on its balance sheet, as principal, in a safe and sound manner?

Response: There are instances in which crypto assets can be held on balance sheet in a safe and sound manner. One example is crypto assets held in *de minimis* amounts, including to pay gas fees.

- d. Do you believe that crypto asset custody activities pose greater risk than custodizing traditional real or financial assets?

Response: Banks have long provided custody services to customers for a wide range of different types of assets. With respect to custody of digital assets, in July 2025, the FDIC, together with the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, issued a joint statement concerning crypto-asset safekeeping, and continue to consider whether additional guidance is warranted.

- e. Does the complexity and scale of the ByBit hack earlier this year pose any concerns about permitting banks to custody crypto assets?

¹² See [FDIC Clarifies Process for Banks to Engage in Crypto-Related Activities](#), FIL-7-2025 (March 28, 2025).

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Response: The origins of the ByBit hack occurred when a developer's workstation was compromised by malicious threat actors after the SafeWallet employee fell victim to a social engineering attack. Social engineering and/or phishing attacks are not unique to digital assets and regularly impact banks if safeguards are not in place or employees are not adequately trained to identify a social engineering attack. As with any emerging technology, banks must identify any heightened vulnerabilities that the technology introduces and ensure risk mitigating solutions are in place.

In terms of custody of crypto-assets, as the FDIC and other Federal banking agencies stated in the Joint Statement identified in the answer to the preceding question: "[g]iven the virtual nature of crypto-assets, and the potentially increased operational risks associated with crypto-asset safekeeping, a banking organization's cybersecurity environment should be a key focus of risk management."¹³

- f. How can banks ensure that nodes, validators, and other network participants on the distributed ledgers on which they are participating are not terrorist organizations, cartels, or sanctioned countries like Russia or Iran?

Response: There are several different types of distributed ledgers that can control permissioning access at different layers of the blockchain's network. A bank can decide to only interact with or operate on a private permissioned or public permissioned network, whereby the node operators of that network are only authorized to operate the node after achieving or meeting the network's standards outlined in their rulebooks. These rulebook standards could include requirements that ensure node operators are not terrorist organizations or sanctioned countries. In instances where the network is permissionless, other techniques can be used to control the token issued by a bank (embedded controls) or hybrid architectures that do not replicate data across every node on the network, but rather, limit data privacy to only the nodes that are party to the specific transaction.

- g. Are there any crypto-asset related activities that you believe cannot be presently conducted in a safe and sound manner?

Response: Safety and soundness standards are relative to the risk management techniques employed by banks to mitigate the risks being taken. With respect to crypto-related activities, as with any novel activity, banks must be able to conduct any activities in which they engage in a safe and sound manner.

¹³ See Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, [Crypto-Asset Safekeeping by Banking Organizations](#) (July 14, 2025).

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- h. Are insured depositories currently allowed to underwrite, deal, or invest in penny stocks?

Response: Insured depository institutions are not generally permitted to underwrite or deal in penny-stocks (or other high-risk, speculative equities). For example, if an insured depository institution or its parent wanted to engage in underwriting/dealing in speculative equities, it would likely need to do so in a separate subsidiary (under the bank holding company structure) subject to prior regulatory approval, and subject to limits or other conditions. Investment permissibility standards are set forth in FDIC Rules and Regulations Part 362. Investments are subject to risk management standards that outline due diligence guidelines and caution banks about high-risk investments.

- i. Are insured depositories currently allowed to underwrite, deal, or invest in non-investment grade debt?

Response: Yes, but only in certain circumstances. The scope depends on charter type (i.e., national bank, state bank, thrift) and regulatory purpose (i.e., investment vs. trading vs. customer accommodation). Investment permissibility standards are set forth in FDIC Rules and Regulations Part 362.

- j. Are insured depositories allowed to own all physical commodities?

Response: Insured depository institutions generally cannot own or trade in physical commodities (such as oil, metals, or agricultural products) for speculative or investment purposes, but there are limited use cases that are permissible. For example, insured depository institutions can provide hedging for customer-driven transactions, and which results from incidental ownership.

9. President Trump’s crypto company, World Liberty Financial, issued a stablecoin called USD1. Do you have any guardrails in place to prevent the President of the United States from influencing implementation of the GENIUS Act and preferencing his own stablecoin, including with respect to rules, enforcement, and supervision implicating the FDIC?

Response: The FDIC will not give favor or preference to any particular lawful payment stablecoin product or individual permitted payment stablecoin issuer.

10. Community banks have raised concerns that stablecoins could disintermediate them, raising costs and reducing availability of credit for households and small businesses.¹⁴ Do you share

¹⁴ Independent Community Bankers of America, “Community Bank Statement for STABLE Act Markup,” April 2, 2025, https://www.icba.org/docs/default-source/icba/advocacy-documents/testimony/icba-statement-for-stable-act-markup.pdf?sfvrsn=1c30e017_4.

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concerns that the GENIUS Act could help facilitate harmful community bank disintermediation?

Response: Stakeholders have raised concerns about funds flowing from retail or business deposit accounts to payment stablecoin programs and have raised concerns about the potential impacts on access to credit and effects on community banks. I take these concerns seriously, and the FDIC will continue to closely monitor developments in this area.

11. Do you believe the “prohibition” in the GENIUS Act regarding the payment of interest is sufficient or do you believe interest will continue to be paid on stablecoins, including by exchanges and wallet providers?

Response: The GENIUS Act prohibits the payment of yield interest by a stablecoin issuer. I understand that some stakeholders may be seeking clarity from Congress on the scope of this prohibition and how certain arrangements should be considered.

12. One of the causes of the 2008 financial crisis was exorbitant executive compensation packages that incentivized wild risk-taking.¹⁵ If the bets paid off, executives would rake in tens of millions of dollars. If the bets went bust, the rest of the economy would suffer the consequences and taxpayers would be required to clean it up. Section 956 of the Dodd-Frank Act mandated regulators, including the Fed, to jointly prescribe rules prohibiting risky bonus arrangements.¹⁶ After proposals in 2011, 2016, and 2024, the rule remains unfinished.

- a. Do you believe regulators must finalize Congressionally-mandated rules?

Response: The FDIC is required to promulgate statutorily-mandated rules. Although prior administrations did not complete the rules related to executive compensation, as a general matter the FDIC expects to continue to work through our rulemaking agenda and will continue to evaluate prioritization of mandated rules. The banking agencies’ 2010 guidance was issued in response to flawed executive compensation practices observed prior to the 2008 financial crisis.

- b. Do you commit to finalizing a strong executive compensation rule?

Response: Please see response above.

- c. Do you believe the banking agencies’ 2010 executive compensation guidance, completed one month before the Dodd-Frank Act was passed, satisfies the legal

¹⁵ ECGI, “The Wages of Failure: Executive Compensation at Bear Stearns and Lehman 2000-2008,” Lucian A. Bebchuk, Alma Cohen, and Holger Spamann,” November 26, 2009, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1513522.

¹⁶ Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 956.

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requirement to prescribe rules or guidelines under Section 956? Is a guideline a distinct legal term from guidance under the federal banking laws?

Response: The FDIC will continue to assess options for implementing this statutory requirement, including codifying the banking agencies' 2010 guidance into regulation.

- d. Do you believe executive compensation packages played a role in the failure of SVB?

Response: I am aware that in the Federal Reserve Board's Material Loss Review for Silicon Valley Bank, the Board stated that "the bank's incentive compensation program and executive officer performance evaluations did not meaningfully consider the bank's risk management deficiencies." However, in the many reports issued in response to the SVB failure, executive compensation has not figured prominently.

- e. As a general matter, do you believe compensation arrangements influence behavior of bank executives?

Response: While I cannot comment on what drives the behavior of any individual bank executive, as a general matter, compensation arrangements do play a role in influencing behavior.

13. Prior to the 2008 financial crisis, large banks did not adequately plan for their orderly failure, instead assuming that taxpayers would step in to bail them out or otherwise pick up the pieces. The Dodd-Frank Act required large banks, and systemically important nonbanks, to develop "living wills" that outline how they could be resolved under the bankruptcy code without relying on taxpayer support or placing significant costs on the broader economy through a disorderly failure. The Federal Reserve Board and FDIC are responsible for reviewing the living wills. If the plans do not meet the statutory standard, regulators ultimately have the authority to shrink and simplify the firm so that it is no longer Too-Big-To-Fail.

- a. Do you believe all eight of the global systemically important banks (GSIBs) could be resolved safely under the bankruptcy code?

Response: The FDIC and the Federal Reserve continue to jointly evaluate resolution plans submitted to the agencies pursuant to section 165(d) of the Dodd-Frank Act to ensure that GSIBs and other plan filers have plans for orderly resolution through bankruptcy that can be carried out across a range of plausible scenarios. In instances where weaknesses are identified in these plans, the agencies require plan filers to remediate them according to prescribed timelines. Should the failure scenario encountered in an actual event be more extreme than that contemplated in the 165(d) resolution planning process or otherwise

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unanticipated, the statute provides for the Orderly Liquidation Authority in Title II of the Dodd-Frank Act as a backstop.

- i. If so, do you believe the Too-Big-To-Fail (TBTF) problem has been solved? Do GSIBs not benefit from an implicit government guarantee and enjoy an unfair funding advantage over community banks?

Response: Historically, GSIBs and other large financial companies have encountered lower funding costs than smaller financial companies. However, research, such as that published by the Financial Stability Board in its 2020 paper evaluating the effects of too-big-to-fail reforms, suggests that post-crisis reforms have significantly reduced this funding advantage.

- b. What type of private entity has the capacity to provide debtor-in-possession financing to a GSIB in bankruptcy?

Response: The resolution plans and associated capabilities developed by GSIBs are designed to enable entry into bankruptcy with sufficient liquidity to fund the resolution process without relying on debtor-in-possession financing. Accordingly, adequacy and positioning of liquidity maintained today for resolution purposes—as well as the modeling capabilities and governance mechanisms needed to deploy it effectively in the event of resolution—is evaluated by the FDIC and the Federal Reserve as part of the resolution plan review process.

- c. Do you believe that a GSIB that files for bankruptcy would experience runs at its broker dealer, insured depository, and other subsidiaries that rely on short term funding?

Response: Consistent with agency expectations, resolution plans submitted by the GSIBs project significant outflows of short-term funding occurring after a bankruptcy filing from insured depository institutions, broker-dealers, and other subsidiaries. The plans contemplate that outflows would be met with liquidity resources reserved for resolution purposes. GSIBs have developed triggers and governance mechanisms to enable filing for bankruptcy while these liquidity resources remain adequate to meet the projected outflows and carry out the resolution plan.

- d. If not through the resolution planning process, what tools would you use to finally address the TBTF problem?

Response: The resolution planning process is one important tool to help provide for an orderly resolution in the event of a GSIB failure. Appropriate capital and

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liquidity requirements, as well as effective supervision, can also reduce the risks and costs that might otherwise be encountered in the event of a GSIB failure.

14. Erebor, a bank founded by Palmer Luckey, Joe Lonsdale, and Peter Thiel, just received rapid approval of its national bank charter application. It has now applied for deposit insurance.

a. Has Comptroller Gould discussed this application with you?

Response: Erebor received conditional approval from the OCC, and full approval from the OCC is conditioned on, among other things, the FDIC's approval of Erebor's deposit insurance application. I regularly communicate with Comptroller Gould, who is a member of the FDIC's Board of Directors, on matters before our agencies, including pending applications.

b. Has anyone from the White House contacted you about this application?

Response: No.

c. Have any external advisors to the President contacted you about this application?

Response: No.

d. Are you aware of an investor memo that essentially guaranteed quick regulatory approvals due to the founders' quote "political network"?

Response: I am only aware of this memo from a press report published earlier this year.

15. Do you believe industrial loan companies (ILCs) should be subject to the same supervisory and regulatory standards as banks?

a. Would you support legislation closing the statutory loophole that allows commercially-owned ILCs to evade bank-like supervision and regulation?

Response: The existing framework established by section 6 of the Federal Deposit Insurance Act requires the FDIC to evaluate all deposit insurance applications, including applications for a proposed ILC, under the same statutory factors. With respect to deposit insurance applicants that would not be subsidiaries of regulated bank holding companies or savings and loan holding companies, as is often the case for ILCs, the FDIC also considers whether its parent company can serve as a source of strength to the insured depository institution, consistent with the source of strength mandate in Section 616 of the Dodd-Frank Act. Applications are often granted with conditions and formal

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agreements including those requiring certain commitments from holding companies.

- b. Do you intend to impose a moratorium on ILC applications for deposit insurance?

Response: The FDIC will continue to consider ILC applications for deposit insurance under the existing statutory framework. However, the FDIC has taken, and continues to take, measures to ensure that our approach to ILCs appropriately takes into account their unique aspects. In 2021, the FDIC adopted a final rule to require certain conditions and commitments for each deposit insurance application approval that would result in an ILC becoming a subsidiary of a company that is not subject to consolidated supervision. More recently, the FDIC issued a request for information as part of its review of the ILC regulatory framework that will inform potential changes to how the agency evaluates the statutory factors in the context of ILC business plans and the issues presented by the range of companies that may form an ILC.

16. What current or emerging risks constitute your top concerns for the safety and soundness of the financial system?

Response: The FDIC engages in continuous monitoring of the economy and financial markets to identify risks to the banking system. In particular, the FDIC is monitoring how institutions navigate weakness in certain loan portfolios, including various types of commercial real estate, especially office properties; unrealized losses in securities portfolios; potential weakening of certain consumer markets; and cyber threats, among others.

17. During the Synapse collapse last year, it became clear that consumer deposits are not protected when in transit to the bank or if any associated fintech or BaaS provider declares bankruptcy. However, many of the savings apps with customers affected by the Synapse failure, like Yotta, include text on their pages that their apps are FDIC-insured. The FDIC has the authority to take a more aggressive role in regulating the misleading statements made by fintech companies and BaaS providers.

- a. Do you intend to finalize the 2024 proposed rule on deposit insurance recordkeeping for banks' third-party accounts?

Response: The FDIC continues to consider next steps on the proposal.

- b. How many enforcement actions and/or cease and desist letters has the FDIC taken/sent this year regarding misrepresentations of deposit insurance? How many did it take in 2024? 2023?

Response: Below is a breakdown of the public cease and desist letters issued by the FDIC by year:

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2022 - 6
2023 – 9
2024 – 7
2025 – 1 (as of October 15, 2025)

The FDIC also has other tools we continue to use to address misrepresentations of deposit insurance, including sending confidential letters to non-depository institutions requesting clarifications or corrections. The FDIC will continue to monitor for misrepresentations and take actions, as warranted.

Bank Merger Review

18. In May, the FDIC rescinded the improved bank merger policy statement finalized under the Biden administration.

- a. Do you believe consumers and small businesses have been well-served by the substantial increase in consolidation of the banking sector over the last four decades?

Response: Banks, particularly community banks, continue to serve their communities and local small businesses. Although much of the focus surrounding consolidation in the sector has been on the role of bank mergers, it is important to acknowledge that the decline in banks since the start of the Great Financial Crisis is less a product of increased merger activity and more a product of the steep decline in new bank formation. A priority of mine has been and will continue to be to preserve the long-term viability of the community bank model by finding ways to encourage new bank formation, and we are actively considering several ideas to achieve this objective.

- b. Do you believe public engagement in the merger review process is important?

Response: Public engagement can be valuable in certain circumstances.

- c. How do you approach the competitive effects analysis when reviewing a bank merger application?

Response: Each application is unique, so the competitive effects analysis depends on the particular entities involved in a given transaction. In general, the FDIC focuses on the type and extent of competition that exists and would be eliminated, reduced, or enhanced by the proposed merger. We also assess whether any anticompetitive effects of the proposed transaction are outweighed by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

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The FDIC recently reinstated its pre-2024 Statement of Policy on Bank Merger Transactions, which clarifies that the FDIC normally will not deny a proposed merger transaction on antitrust grounds (absent objection from the Department of Justice) where the post-merger Hefindahl-Hirschman Index (HHI) in the relevant geographic market(s) is 1,800 points or less or, if it is more than 1,800, the post-merger HHI reflects an increase of less than 200 points from the pre-merger HHI. In instances where a proposed merger transaction fails this initial concentration test, the FDIC considers various competitive dynamics at work in the market. The FDIC continues to explore ways to optimize its bank merger review framework, including with respect to analysis of competitive effects.

- d. Please review the Department of Justice's 2023 Merger Guidelines and its 2024 Banking Addendum. Do you agree with the DOJ's approach to analyzing the competitive effects of bank merger transactions?

Response: The FDIC and the Department of Justice play collaborative and complementary roles in the competitive review of merger transactions subject to FDIC approval. The FDIC considers the Department of Justice's competitive factor analysis in its analysis of the statutory factor related to competition, but does not solely rely upon that analysis.

Enforcement

19. Why do you think big banks have not been deterred by past enforcement actions and continue to break the law?

Response: The FDIC has taken enforcement actions against large institutions in the past and will continue to do so in the future if and when it is appropriate. In certain instances, like our April 2025 action involving Discover Bank, the FDIC has sought civil money penalties which the agency believes has some level of deterrence.

20. Are you willing to fine executives directly, use the FDIC's authority under 12 U.S.C. 1818(e) to remove executives from their roles and ban them from the banking industry, and make criminal referrals to the Department of Justice, where appropriate?

Response: Yes.

21. When do you think it is appropriate to move beyond fines and impose structural remedies on banks, including asset caps, divestitures, and activity limitations?

Response: Pursuant to 12 U.S.C. 1818(b), the FDIC has the authority to seek a cease-and-desist order, if the supervised institution is engaging or has engaged, or the FDIC has reasonable cause to believe that the supervised institution is about to engage, in an unsafe or

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unsound practice, or is violating or violated the law. The FDIC's authority to seek a cease-and-desist order could impose certain structural remedies on banks, as appropriate.

22. Do you believe the FDIC has evenly administered penalties to large and small banks?

Response: Penalties should be appropriately tailored based on the size and activities of the institution, along with the nature of the violation(s).

23. How many enforcement actions has the FDIC taken against banks with more than \$10 billion in assets over the last nine months, excluding fines for low-level employees? How many c-suite executives has it banned from the banking system or levied monetary fines against personally?

Response: In the past nine months, the FDIC has taken one action (involving three orders) against an institution with more than \$10 billion in assets. As announced in April 2025, the FDIC took action against Discover Bank. This action included a Consent Order requiring corrective action, an Order of Restitution requiring a restitution plan to distribute at least \$1.225 billion to various merchants, and an Order to Pay a \$150 million civil money penalty. Note the vast majority of banks supervised by the FDIC have less than \$10 billion in assets, and the FDIC supervises very few of the largest banks.

Committee Questionnaire

24. Under Committee rules, you are required to provide true and correct responses to all questions in the Committee's questionnaire. Can you confirm that you have provided complete, true, and correct answers to all of the Committee's questions in the questionnaire?

Response: Yes, all responses are complete, true, and correct to the best of my knowledge and recollection.

25. The Committee questionnaire requires you to list all of the formal speeches, presentations (e.g., PowerPoint), and public statements you have delivered during the past ten years which are on topics relevant to the position for which you have been nominated, including dates and name of the forum you delivered the speech, presentation, or public statement. The questionnaire also requires you, if available, to provide the Committee with one digital copy of each formal speech, presentation, and public statement, and if text is no longer available, list the date, place, and organization or group to whom you made the speech or presentation. Can you confirm that you have provided complete, true, and correct disclosures in response to the Committee's requirements?

Response: All of my formal speeches and statements can be found at <https://www.fdic.gov/news/speeches>. I included a list of all formal speeches, presentations, and public statements that I can recall relevant to the position for which I have been nominated on the questionnaire. I also included hyperlinks to the text of each set of remarks.

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Additionally, in an attempt to be overinclusive, I included links to articles that described other public appearances in which I did not provide formal remarks.

Nomination

26. During or leading up to the selection of your nomination, did anyone on the Trump campaign, transition team, or other closely related entity approach you about your loyalty to President-elect Trump? Did you sign a loyalty pledge or other similar oath?

Response: No.

27. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Heritage Foundation? If so, please explain.

Response: No.

28. Please provide a comprehensive list of the people who approached you about joining the administration. Did any person provide advice to you, oral or written, on your responses to these questions? If so, please provide a comprehensive list of the individuals or organizations that provided assistance.

Response: I did not receive any assistance on my responses to these questions from anyone other than FDIC staff.

Congressional Oversight and Whistleblower Protection

29. If confirmed, will you commit to making yourself or any other politically appointed employee of the Federal Deposit Insurance Corporation available to provide testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chair or Ranking Member?

Response: The FDIC will fully comply with the oversight authority of the Committee.

30. If confirmed, will you commit to fully complying with all information requests from me and responding to those requests in a timely manner?

Response: The FDIC will fully comply with the oversight authority of the Committee.

31. If confirmed, do you intend to respond to congressional information requests differently depending on who is making the request?

Response: The FDIC will fully comply with the oversight authority of the Committee.

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32. If confirmed, will you commit to complying with any federal protections for whistleblowers?

Response: Yes.

Public Integrity

33. Will you commit to recuse yourself from any matters involving your former employers or clients for 4 years while serving as Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation?

Response: I will fully comply with all standards of ethical conduct for employees of the executive branch as well as with the supplemental standards of ethical conduct for FDIC employees.

34. For at least 4 years after leaving the Federal Deposit Insurance Corporation, will you not seek employment or compensation from (1) any entity that you personally and substantially interacted with in your role as Chairperson and (2) from any entity that lobbies the Federal Deposit Insurance Corporation?

Response: I will fully comply with all standards of ethical conduct for employees of the executive branch as well as with the supplemental standards of ethical conduct for FDIC employees.

35. Will you commit to not receiving any compensation from any entity that was within Federal Deposit Insurance Corporation jurisdiction, whether or not a filing was made, for at least 4 years after leaving the Federal Deposit Insurance Corporation?

Response: I will fully comply with all standards of ethical conduct for employees of the executive branch as well as with the supplemental standards of ethical conduct for FDIC employees.

FDIC Workplace Culture

36. Given that your tenure and seniority coincided with many of the years during which this toxic culture flourished at FDIC, indicate whether there is any record of you or Chairperson McWilliams observing or bringing these issues to the light before they were reported in 2023.

- a. Did you personally observe these cultural issues first-hand during your time at FDIC, prior to their reporting in 2023?

Response: I did not personally witness instances of harassment, discrimination, or interpersonal misconduct during the specified timeframe.

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- i. If so, did you report them? To whom did you report these issues?

Response: See response above.

- ii. In 2024, you noted that the Cleary Gottlieb report painted a “grim picture of the working conditions at the FDIC.”¹⁷ If you did not observe these issues, how did you miss them? Please explain any and all actions you will take to ensure that these problems are noticed and reported in the future.

Response: Harassment, discrimination, and other misconduct have no place at the FDIC or in any professional setting. Reforming the FDIC’s workplace culture has been a top priority and key focus of my leadership. It was the subject of my first global message to all employees upon assuming the role of Acting Chair in January of this year. At the core of our efforts is ensuring that there is accountability for individuals who engage in misconduct and that the process by which that accountability is brought is swift, independent, and credible.

We have stood up two new offices, the Office of Professional Conduct (OPC) and the Office of Equal Employment Opportunity (OEEO). Those offices became functional this year—taking complaints, conducting investigations, and, in the case of OPC, ensuring that appropriate discipline is imposed. We have made significant progress in tracking cases of harassment, interpersonal misconduct, and retaliation for reporting misconduct, which will allow us to identify trends and patterns of misconduct.

We have also established a completely new process for employees to confidentially or anonymously report harassment or other interpersonal misconduct complaints. Previously, many employees did not report these complaints because of a fear of retaliation. We have also implemented new mandatory anti-harassment training for every employee.

Over the course of the past 10 months, we have made significant leadership changes across the agency. In addition to an entirely new Board of Directors, we also have new leaders in place atop eight of our Divisions and Offices, along with a number of other leadership changes. None of the senior executives mentioned in the OIG’s report this summer

¹⁷ Federal Deposit Insurance Corporation, “Creation of the Office of Professional Conduct,” Vice Chairman Travis Hill, June 21, 2024, <https://www.fdic.gov/news/speeches/2024/creation-office-professional-conduct>.

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remain at the agency.¹⁸ Managers and executives are expected to establish a harassment-free culture throughout their organizations, and we have incorporated a harassment-free culture standard into our performance management program.

The FDIC remains committed to ensuring that we have a culture where employees are treated professionally and respectfully, and where harassment, discrimination, and other misconduct are not tolerated.

- b. Did anyone at FDIC report these issues to you?

Response: No.

37. Summarize the extent of any and all of your engagement on issues including or related to FDIC's workplace culture during your time working under Chairperson McWilliams prior to November 2023.

Response: During my time working under Chairman McWilliams, my role was focused on bank policy. Chairman McWilliams took a range of steps to improve morale and strengthen workforce culture; I was generally uninvolved in those efforts, but did often hear positive feedback from staff related to those efforts. Former Chairman McWilliams and I departed the FDIC in February of 2022.

- a. Provide copies of any and all correspondence.

Response: See response above.

- b. Include one summary of your engagement on FDIC's workplace culture during your time as Deputy to the Chairman for Policy.

Response: See response above.

- c. Include a separate summary of your engagement on FDIC's workplace culture during your time as Senior Advisor to the Chairman.

Response: See response above.

38. Provide copies of any and all speeches, correspondence, and announcements you have shared with the FDIC workforce in your capacity as Acting Chairman that mention your efforts to prioritize improvements to FDIC's workplace culture since January 21, 2025.

¹⁸ See [FDIC Office of Inspector General Special Inquiry of the FDIC's Workplace Culture with Respect to Harassment and Related Misconduct – Part 2](#), No. REV-25-03 (July 2025).

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Response: Reforming the FDIC’s workplace culture has been a top priority and key focus of my leadership. It was the subject of my first global message to all employees upon assuming the role of Acting Chair in January of this year. I sent another global message to all employees in August of this year reaffirming my commitment to transforming the FDIC’s workplace culture. We have also sent out multiple agency-wide announcements, for example to announce new training in August. Over the past 10 months I have held town halls with every Division and Office and have addressed employees at visits to numerous FDIC Regional and Field Offices, where this issue has been a frequent topic of discussion.

39. In April 2025, FDIC announced that it would “eliminate roughly 1,250 positions across most departments.”¹⁹ Provide data indicating whether and how these reductions have impacted any offices that are tasked with investigating or improving FDIC’s work culture issues.

a. Was FDIC’s OPC impacted in any way?

i. If so, please explain the nature of the cuts and the agency’s justification for making them.

Response: The FY2025 budget for OPC included 30 authorized FTEs. Under the Workforce Optimization Initiative, nine vacant positions were eliminated. Four of those nine positions were support staff for OPC and OEEO; those support functions will instead continue to be provided by other divisions in the agency. The remaining five reductions reduced the number of managers and centralized the work that was to be performed by intake staff in a higher-graded senior intake/investigator position.

ii. Provide a list of any and all roles eliminated or to be eliminated in this office.

Response:

Chief, Intake (CM-00)
Assistant Director, Policy and Training (CM-00)
Chief, Support Services Section (CM-00)
Communications Specialists (CG-14)
Data Analyst (CG-14)
Intake Counselor (CG-13)
Paralegal (CG-12)
Investigative Analyst (CG-13)
Presidential Management Fellow (CG-12)

iii. Provide data indicating OPC’s staffing levels prior to January 21, 2025.

¹⁹ American Banker, “FDIC cutting 1,250 staffers across ‘most’ departments,” Ebrima Santos Sanneh, <https://www.americanbanker.com/news/fdic-firing-1-250-staffers-across-most-departments>.

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Response: As of January 21, 2025, OPC had 10 FTE positions filled, including the Director, and had brought on a student intern, which is not considered an FTE position.

- iv. Provide data indicating OPC's staffing levels as of October 24, 2025.

Response: OPC has 21 authorized FTE positions out of which 12 FTEs are filled. OPC is further supported by a student intern, which is not considered an FTE position.

- b. Was FDIC's OEEO impacted in any way?

- i. If so, please explain the nature of the cuts and the agency's justification for making them.

Response: The FY2025 budget for OEEO included 20 authorized FTEs. Under the Workforce Optimization Initiative, 2 positions (vacant) were eliminated, which were a Special Assistant and an Assistant Director, Education and Resolution Services. The Special Assistant position was determined by the OEEO Director to not be mission essential. The Assistant Director, Education and Resolution Services role and functions were consolidated into the remaining two Assistant Director positions, which enabled a flattening of management. No EEO Specialist positions were impacted.

- ii. Provide a list of any and all roles eliminated or to be eliminated in this office.

Response:

Special Assistant (CG-15)

Assistant Director, Education and Resolution Services (CM-00)

- iii. Provide data indicating OEEO's staffing levels prior to January 21, 2025.

Response: Prior to January 21, 2025, OEEO had 20 authorized FTEs, with the OEEO Director position filled November 4, 2025.

- iv. Provide data indicating OEEO's staffing levels as of October 24, 2025.

Response: OEEO has 18 authorized FTE positions out of which 8 FTEs are filled. OEEO is further supported by 2 student interns, which are not FTE authorized positions.

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40. In 2024, the full FDIC Board generally held monthly meetings to monitor FDIC's progress addressing the reported workplace cultural issues.

- a. Explain whether FDIC has conducted these monthly Board meetings since January 21, 2025.

Response: The FDIC has held three Board meetings this year, which occurred on May 20, 2025; July 15, 2025; and October 7, 2025. As was the FDIC's practice in 2024, the independent Transformation Monitor provided briefings to the full Board at each of these meetings. The FDIC also had a Board meeting scheduled for June 26, 2025 that was cancelled that morning due to unforeseen circumstances; the Transformation Monitor was also scheduled to provide a briefing at that Board meeting.

- i. If so, why did the Board not issue Sunshine Act notices? Provide any and all dates, calendar invites, correspondence, minutes, and notes associated with each meeting.

Response: See response above.

- ii. If not, provide an explanation of why FDIC changed the cadence of these meetings.

Response: The FDIC's cadence for Board meetings is consistent with general historical practices, particularly when there are changes in Board leadership and among Board members.

41. On October 27, 2025, I submitted the following set of questions and document requests (pasted below) to the FDIC regarding, among other issues involving FDIC's culture, the FDIC's progress implementing its "Action Plan for a Safe Work Environment." Will you commit to providing fulsome answers to all of my questions and requests prior to the Committee vote on your nomination?

Response: FDIC staff have been in contact with your staff regarding this information request and are in the process of reviewing the roughly 89 enumerated questions and requests and will provide responsive information as expeditiously as possible.

Questions:

42. In January 2024, the FDIC established a 24-hour, toll-free hotline "with specialized federal and contractor staff" to intake reports of harassment. In April 2025, it established a "reporting mechanism managed by an independent, third-party that would allow employees to report allegations of harassment to a single source in a fully anonymous manner."

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- a. How many complaints of harassing behavior, if any, did the FDIC receive per month in 2024? Of these complaints, how many were:
 - i. Investigated?
 - ii. Closed with no follow-up action or disciplinary action?
 - iii. Closed with mandated follow-up actions, such as counseling or warnings, but no official disciplinary action?
 - iv. Closed with official disciplinary action?
 - v. In progress?
 - b. How many complaints of harassing behavior, if any, did the FDIC receive for each month of 2025, concluding on September 30, 2025?
 - i. Investigated?
 - ii. Closed with no follow-up action or disciplinary action?
 - iii. Closed with mandated follow-up actions, such as counseling or warnings, but no official disciplinary action?
 - iv. Closed with official disciplinary action?
 - v. In progress?
 - c. As of January 19, 2025, how many employees—including both federal workers or contractors—did the FDIC employ to staff its 24-hour hotline?
 - d. As of October 24, 2025, how many employees—including both federal workers or contractors—did the FDIC employ to staff its 24-hour hotline?
 - e. Provide an overview of the “reporting mechanism managed by an independent, third-party,” including any founding documents, organizational charts, and job descriptions. What services does this reporting mechanism provide to FDIC employees?
43. In June 2024, the FDIC Board approved the creation of the Office of Professional Conduct to “intake, investigate and report on complaints of harassment, interpersonal misconduct, and retaliation, and determine and enforce discipline.”

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- a. How many employees worked at the FDIC’s Office of Professional Conduct as of January 19, 2025?
 - b. How many employees work at the FDIC’s Office of Professional Conduct as of October 24, 2025?
44. In June 2024, the FDIC Board approved the creation of the Office of Equal Employment Opportunity to “intake, investigate and report on complaints of discrimination and retaliation under the laws enforced by the Equal Employment Opportunity Commission.”
- a. How many employees worked at the FDIC’s Office of Equal Employment Opportunity as of January 19, 2025?
 - b. How many employees work at the FDIC’s Office of Professional Conduct as of October 24, 2025?
45. As of June 2025, the FDIC established a “support program to help survivors remain integrated in the workplace and equipped to take advantage of professional development opportunities post-harassment.”
- a. Provide an overview of the support program, including any founding documents, organizational charts, and job descriptions. What services does the support program provide?
 - b. How many FDIC employees or contractors currently make up the support program?
 - c. What steps did FDIC take to alert employees to the existence of the support program? As of October 24, 2025, how many FDIC employees had taken advantage of the support program?
46. As of June 2025, the FDIC now offers “a point person for support and information” for “any individual that brings a complaint or is the subject of a complaint under the FDIC’s current Anti-Harassment Policy or Equal Opportunity Policy.”
- a. Provide an overview of the process through which individuals are offered “point people” under this new process.
 - b. Which individuals serve as “point people” for employees? How many of these individuals are currently employed at FDIC?
47. As of December 19, 2024, the FDIC, in partnership with the Equal Employment Opportunity Commission, had completed 83 Anti-Harassment Prevention Trainings for over 6,350 employees, “including executives, managers, and supervisors.” The FDIC also identifies

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“live, in-person training for all employees annually on the Code of Workplace Conduct,” the “Anti-Fraternization Policy,” and “Anti-Retaliation Policy” as items on its Action Plan for a Safe Work Environment, along with “mandatory, annual” “skills-based training” that “teaches FDIC employees how to interrupt, disrupt, and stop conduct that is inconsistent with the Code of Workplace Conduct” and a “mandatory, core curriculum for all employees on inclusive leadership that is grade- and role-appropriate.”

- a. As of October 24, 2025, how many Anti-Harassment Prevention Trainings has the FDIC conducted in calendar year 2025? When and where did these training take place, and for approximately how many employees?
 - i. Does the FDIC continue to implement these trainings with the Equal Employment Opportunity Commission? If not, why not?
 - b. As of October 24, 2025, how many trainings has the FDIC conducted on the following policies in calendar year 2025? When and where did these training take place, and for approximately how many employees?
 - i. Code of Workplace Conduct
 - ii. Anti-Fraternization Policy
 - iii. Anti-Retaliation Policy
 - c. As of October 24, 2025, how many “Skills-Based Trainings” on workplace interventions has the FDIC conducted in calendar year 2025? When and where did these training take place, and for approximately how many employees?
 - d. As of October 24, 2025, how many trainings on inclusive leadership did the FDIC conduct in calendar year 2025? When and where did these training take place, and for approximately how many employees?
48. As of June 27, 2025, the FDIC claimed it was “finalizing a Risk Assessment memorandum to clearly document the impact of not addressing sexual harassment or other misconduct in a timely manner.”
- a. Has the FDIC finalized this Risk Assessment? If so, provide a copy.
 - b. If not, why not?
 - c. If not, by when does the FDIC anticipate finalizing the Risk Assessment?

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49. As of June 27, 2025, the FDIC claimed that it had “conducted a Travel Policy Survey that solicits employees’ feedback on current FDIC travel regulations, as well as Divisional/Office and Regional travel practices. Approximately 2,300 responses have been received.”
- a. As of October 24, 2025, how many responses has the FDIC received?
 - b. Provide a copy of the Travel Policy Survey.
 - c. Provide a provisional analysis of the responses FDIC has received.
 - d. What additional analysis, if any, does FDIC plan to conduct on the survey responses?
 - e. What additional actions, if any, does FDIC plan to take in response to the survey responses?
50. As of June 27, 2025, the FDIC claimed it was “updating Leadership Performance Standards to better support accountability for sexual harassment detection and prevention.”
- a. Has the FDIC finalized its Leadership Performance Standards? If so, provide a copy.
 - b. If not, why not?
 - c. If not, by when does the FDIC anticipate finalizing the Risk Assessment?
51. Beginning in January 2024, the FDIC began providing “dedicated mental health counselors experienced in harassment- and discrimination-related trauma to each of the affinity Employee Resource Groups..for group counseling and assistance” related to workplace harassment, as well as “enhanc[ed] the free services currently provided by the FDIC by securing counselors with expertise related to sexual harassment and discrimination to address emotional and mental well-being.”
- a. As of January 19, 2025, how many counselors “with expertise related to sexual harassment and discrimination” did the FDIC employ, either directly or through contractors?
 - b. As of October 24, 2025, how many counselors “with expertise related to sexual harassment and discrimination” does the FDIC employ, either directly or through contractors?
 - c. As of January 19, 2025, how many Employee Resource Groups existed at the FDIC? Did each Employee Resource Group have access to a dedicated mental health counselor? If not, which did not have access, and why?

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- d. As of October 24, 2025, how many Employee Resource Groups exist at the FDIC? Does each Employee Resource Group have access to a dedicated mental health counselor? If not, which do not have access, and why?
52. The FDIC claims that, as of June 2025, the “Chairperson and all individuals who directly report to the Chairperson” have met “with representatives across the organization to solicit input for the implementation process” for recommendations outlined in the Cleary Gottlieb report. Provide an overview of these meetings, including:
- a. Which individuals (including the Chairperson) were tasked with meeting with FDIC representatives.
 - b. When such meetings took place.
 - c. From which offices, regions, and divisions the “representatives across the organization” came from.
 - d. A summary of the recommendations provided to FDIC leadership during these meetings.
53. Summarize the specific steps the FDIC has taken to implement the following action items as of October 24, 2025. If no steps have been taken, explain why.
- a. “Ensure consequences for individuals found liable of sexual harassment align with the seriousness of the misconduct.”
 - b. “Expand[] the use of tables of penalties or other tools or framework to ensure that disciplinary action is consistently applied for like or similar misconduct.”
 - c. “Implement policies to prohibit hiring those who have previously engaged in sexual harassment or other serious misconduct (including procedures to ensure due diligence in hiring, or establish procedures to safeguard employees if the law prohibits such actions.”
 - d. “Assess whether any aversion to risk, including litigation risk, associated with taking adverse personnel actions unduly impacts addressing sexual harassment or other serious misconduct in a manner that aligns with organizational values.”
 - e. “Update policies to prohibit the payment of bonuses to any individual found to have committed sexual harassment and to delay bonuses for any employee being investigated for sexual harassment or other serious misconduct, until cleared of any wrongdoing.”

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- f. “Determine whether other actions are appropriate for individuals found to have engaged in sexual harassment (e.g., demotion, restricting promotion opportunities).”
- g. “Update applicable criteria and withhold bonus opportunities for failure to implement or follow the FDIC Action Plan for a Safe Work Environment.”
- h. “Update leadership performance standards to better support accountability for sexual harassment detection and prevention.”
- i. “Revise performance review for all executives and managers to include assessments of the individual’s compliance with the FDIC’s values and the Code of Workplace Conduct.”
- j. “Implement a 360-degree review process for the Chairperson, all individuals who directly report to the Chairperson, Executive Managers, and anyone who has responsibility for an Action Plan committee or for implementing” workplace culture-related recommendations.
- k. “Develop longevity-related data that tracks the years in-position for all senior executives and managers to enable the FDIC to conduct pulse checks in Field Offices, Regions, and Divisions/Offices that have had senior leaders in position for significant periods.”
 - i. As of October 24, 2025, how many pulse checks has the FDIC completed? When and where did these pulse checks take place?
 - ii. Summarize the results of these pulse checks.
- l. “Conduct annual listening sessions in any Field Office, Region, or Division/Office whose leaders has been in place for more than 5 years.”
 - i. As of October 24, 2025, how many listening sessions has the FDIC held in calendar year 2025? When and where did these listening sessions take place?
 - ii. Summarize the information gathered during these listening sessions.
- m. “Issue revised draft directive on anti-harassment to include a more detailed definition of sexual harassment and provide a plain language explanation of existing anti-retaliation protections for individuals who report cases of sexual harassment or otherwise expose discriminatory practices.”

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- n. “Develop procedures and guidelines to prepare close-out letters to be issued to filers of harassment complaints.”
- o. “Seek opportunities to enhance all exit surveys conducted at the agency to better identify harassment as a factor in an employee leaving [the] agency.”
- p. “Develop more robust Standard Operating Procedures reflecting best practices for handling of complaints and investigations of the Anti-Harassment Policy, Anti-Fraternization Policy, and Anti-Retaliation Policy.”
- q. “Review travel policies to determine if any of these policies are negatively impacting the FDIC’s culture and environment. Develop needed modifications based on this assessment to improve employee’s safety and well-being, and retention.”
- r. “Consider expanding [the] cadre of EEO counselors to include locations in regional offices to better understand local dynamics, address issues specific to each location, and provide better accessibility and support to employees located outside of headquarters.”
- s. “Conduct a culture assessment on a periodic basis to gain insight into organizational dynamics, employee engagement, and overall work environment, monitor progress in improving culture, and identify areas needing improvement.”
- t. “Consider providing additional resources to supervisors to help improve culture within their local teams while ensuring alignment with overall FDIC goals.”
- u. “Facilitate listening sessions across the FDIC to foster an environment of open and respectful dialogue.”
- v. “Conduct regular reviews of Field, Region, and Headquarters offices to ensure compliance and consistency with FDIC directives related to sexual harassment, antiharassment, and equal employment opportunity.”
- w. “Develop and implement an annual survey that solicits feedback on the effectiveness of the Anti-Harassment Policy, Equal Opportunity Policy, Anti-Fraternization Policy, and Anti-Retaliation Policy, as well as the procedures for taking complaints and conducting investigations.”
- x. “Develop a process for assessing whether disciplinary action taken against an individual for violations of the Anti-Harassment Policy, the Equal Opportunity Policy, Anti-Fraternization Policy, and Anti-Retaliation Policy has been effective.”

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54. Provide copies of the following documents:

- a. The FDIC's Anti-Harassment Policy in effect as of October 24, 2025, including sections addressing Mandatory Reporting Obligations. Explain any updates made to the Mandatory Reporting Obligations as of May 2025.
- b. The FDIC's Anti-Fraternization Policy in effect as of October 24, 2025.
- c. The FDIC's Anti-Retaliation Policy in effect as of October 24, 2025.
- d. The FDIC's Student Resident Center residence-specific code of conduct in effect as of October 24, 2025.
 - i. Describe the FDIC's actions to "increase monitoring by security guards in common areas" at the Student Resident Center.
 - ii. Has the FDIC implemented a Resident Assistant Program? If so, provide a description of the program. If not, why not?
- e. The FDIC's grievance policies in effect as of October 24, 2025. Explain any updates made to the policy as of March 2025.
- f. The FDIC's Code of Workplace Conduct in effect as of October 24, 2025.
- g. The FDIC's Equal Opportunity Policy in effect as of October 24, 2025.

55. Provide copies of all internal communications sent to FDIC employees in calendar year 2025 regarding the FDIC's implementation of its Action Plan, sexual harassment, workplace discrimination, and other culture issues.

56. Provide copies of all communications, including but not limited to documents, audits, and recommendations, from Independent Transformation Monitor Carrie Cohen to the FDIC and its employees, including any internal communications shared via email, text, or FDIC intranet databases.