

March 4, 2025

Michael Faulkender
Deputy Secretary-Designate
U.S. Department of Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Dear Mr. Faulkender:

Congratulations on your nomination to be Deputy Secretary of the Treasury. The Deputy Treasury Secretary advises the Secretary and plays a leading role in the execution of Treasury policies in all aspects of the Department's activities, including managing the government's finances, advising on economic, trade, and tax policy, and enforcing international sanctions.¹ If confirmed, the decisions you make will have far-reaching consequences for every American—from determining how much they pay in taxes, to setting the structure of their debt repayment plans, to funding their Social Security payments²—all of which help determine whether they will be able to build or maintain economic security and prosperity.

You played a key role in President Trump's first term, serving as Assistant Secretary for Economic Policy from August 2019 to January 20, 2021.³ In that time, you were responsible for programs that were structured so poorly that they created "the biggest fraud in a generation."⁴ For the last two years, you have served as Chief Economist of the America First Policy Institute, an organization "blessed" by President Trump, filled with his loyalists and insiders, and serving as President Trump's "primary partner" for this administration.⁵ Accordingly, your answers to the

¹ U.S. Department of the Treasury, "Duties and Functions FAQs," <https://home.treasury.gov/subfooter/faqs/duties-and-functions-faqs>.

² *Id.*

³ U.S. Department of the Treasury, "Economic Policy," <https://home.treasury.gov/about/offices/economic-policy>.

⁴ NBC News, "'Biggest fraud in a generation': The looting of the Covid relief plan known as PPP," Ken Dilanian and Laura Strickler, March 28, 2022, <https://www.nbcnews.com/politics/justice-department/biggest-fraud-generation-looting-covid-relief-program-known-ppp-n1279664>; Politico, "Trump taps former Mnuchin aide Faulkender for No. 2 Treasury job," Victoria Guida, December 4, 2024, <https://www.politico.com/live-updates/2024/12/04/congress/trump-taps-faulkender-for-no-2-treasury-job-00192596>.

⁵ New York Times, "The Group at the Center of Trump's Planning for a Second Term Is One You Haven't Heard of," Ken Bensinger and David A. Fahrenthold, October 24, 2024, <https://www.nytimes.com/2024/10/24/us/politics/donald-trump-campaign-america-first-policy-institute.html>; Politico, "Meet the think tank planning a second Trump administration. (It's not Project 2025.)," Hailey Fuchs and Meredith McGraw, August 29, 2024, <https://www.politico.com/news/2024/08/29/trump-transition-plan-afpi-00176674>; America First Policy Institute, "AFPI Announces Michael Faulkender as Chief Economist," press release, November 16, 2022, <https://americafirstpolicy.com/issues/afpi-announces-michael-faulkender-as-chief-economist>.

questions below and your testimony before the Senate Committee on Finance will be critical to assessing how you plan to help lead the Treasury Department.

I ask that you come to your hearing on March 6, 2025 prepared to answer these questions, and that you provide written answers prior to any Finance Committee vote on your nomination.

Deregulation

You have been an advocate for deregulation of banks and the financial industry.⁶ However, deregulation of the financial industry set the stage for the 2008 financial crisis and the worst recession in decades.⁷ Ultimately, the crisis cost the U.S. economy nearly \$20 trillion⁸ and as many as 10 million people may have lost their homes.⁹ You have called the *Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank)* “misguided.”¹⁰

A decade later, then-President Trump signed into law the *Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA)* that rolled back critical parts of *Dodd-Frank*.¹¹ EGRRCPA failed to ignite the economic growth that then-President Trump promised, with bank lending stagnating while dividends and buybacks increased.¹² Moreover, the Fed identified that the legislation and subsequent deregulation were key contributors to the collapse of Silicon Valley Bank (SVB) in March 2023.¹³ In its analysis, the Fed stated, “[a] comprehensive assessment of changes from EGRRCPA, the 2019 tailoring rule, and related rulemakings show that they combined to create a weaker regulatory framework for a firm like SVBFG.”¹⁴ The failure of SVB, followed by the collapses of Signature Bank and First Republic Bank, could have sparked a broader economic downturn if regulators had not deployed extraordinary authorities to provide public support to the banking system.¹⁵

⁶ Wall Street Journal, “Want to Prevent SVB-Style Collapses? Scrap Dodd-Frank,” Michael Faulkender and Tyler Goodspeed, March 20, 2023, <https://www.wsj.com/articles/want-to-prevent-more-svb-style-collapses-scrap-dodd-frank-banking-crisis-stress-test-bond-yield-rates-treasury-ebd2003c>.

⁷ Federal Reserve History, “The Great Recession and Its Aftermath,” John Weinberg, <https://www.federalreservehistory.org/essays/great-recession-and-its-aftermath>.

⁸ PBS Frontline, “How Much Did the Financial Crisis Cost?,” Sarah Childress, May 31, 2012, <https://www.pbs.org/wgbh/frontline/article/how-much-did-the-financial-crisis-cost/>.

⁹ Federal Reserve Bank of St. Louis, “The End Is in Sight for the U.S. Foreclosure Crisis,” William R. Emmons, December 2, 2016, <https://www.stlouisfed.org/on-the-economy/2016/december/end-sight-us-foreclosure-crisis#endnote1>.

¹⁰ Written Testimony of Michael Faulkender to U.S. Senate Subcommittee on Economic Policy, July 12, 2023, p. 3, https://www.banking.senate.gov/imo/media/doc/faulkender_testimony_7-12-23.pdf; Wall Street Journal, “Want to Prevent SVB-Style Collapses? Scrap Dodd-Frank,” Michael Faulkender and Tyler Goodspeed, March 20, 2023, <https://www.wsj.com/articles/want-to-prevent-more-svb-style-collapses-scrap-dodd-frank-banking-crisis-stress-test-bond-yield-rates-treasury-ebd2003c>.

¹¹ Economic Growth, Regulatory Relief, and Consumer Protection Act, Public Law 115–174.

¹² Roosevelt Institute, “The End of Banking History? Finishing the Unfinished Business of Financial Reform,” Graham Steele, August 2024, p. 6, https://rooseveltinstitute.org/wp-content/uploads/2024/07/RI_Banking-Unfinished-Business-Financial-Reform_Brief_082024.pdf.

¹³ Board of Governors of the Federal Reserve System, “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>.

¹⁴ *Id.*, p. 13.

¹⁵ *Id.*

1. What specific deregulatory policies do you intend to implement and promote if you are confirmed as Treasury Deputy Secretary?
2. Though he prioritized financial deregulation and tax cuts, then-President Trump did not succeed in achieving the three percent annual economic growth he promised during his first administration.¹⁶ In your view, what explains the failure of the first Trump Administration's tax and deregulatory policies to spur three percent growth? How did your actions as Assistant Secretary contribute to President Trump's failure?
3. The Fed identified EGRRCPA and the Fed's subsequent deregulation as a key contributor to the March 2023 bank crisis. Do you agree with this analysis? How would you ensure that any additional deregulation would not increase the likelihood of another banking collapse?
4. If confirmed, will you commit to respecting Congressional directives and fully enforcing the *Dodd-Frank Act*?

President Trump's Tax Agenda

In 2023, you penned a report supporting making President Trump's *Tax Cut and Jobs Act* (TCJA) permanent. In that report, you endorsed "pro-growth tax reform...coupled with deregulation and American energy independence."¹⁷ But an extension of TCJA would almost certainly reduce federal revenues, specifically by over \$4.5 trillion, according to the Congressional Budget Office (CBO).¹⁸ In fact, according to CBO, factoring in economic growth means that these deficit-funded tax cuts would actually drag on the economy.¹⁹

In order to understand how you plan to implement tax policy through legislation and regulation, and how doing so fits into your overall economic objectives, I ask the following questions:

1. CBO has estimated that the TCJA cost approximately \$2 trillion.²⁰ Setting aside an anomalous period during COVID with significant government stimulus, actual revenues

¹⁶ Washington Post, "Trump struggles to achieve 3 percent economic goal as growth slows," Heather Long, June 26, 2019, <https://www.washingtonpost.com/business/2019/07/26/trump-promised-percent-or-better-economy-so-far-its-not-happening/>; The Hill, "Trump fell short of 3 percent GDP goal in 2018, revised figures show," Sylvan Lane, July 26, 2019, <https://thehill.com/policy/finance/454878-trump-failed-to-hit-3-percent-growth-in-2018-data-revisions/>.

¹⁷ America First Policy Institute, "Research Report: Make the Tax Cuts and Jobs Act Permanent," Michael Faulkender, March 7, 2023, p. 12, <https://americafirstpolicy.com/issues/research-report-make-the-tax-cuts-and-jobs-act-permanent>.

¹⁸ U.S. Senate Committee on the Budget, "Extending Trump Tax Cuts Would Add \$4.6 Trillion to the Deficit, CBO Finds," press release, May 8, 2024, <https://www.budget.senate.gov/chairman/newsroom/press/extending-trump-tax-cuts-would-add-46-trillion-to-the-deficit-cbo-finds>.

¹⁹ U.S. Senate Committee on the Budget, "Extending Trump's Tax Cuts for the Wealthy Will Shrink the Economy, CBO Finds," press release, December 4, 2024, <https://www.budget.senate.gov/chairman/newsroom/press/extending-trumps-tax-cuts-for-the-wealthy-will-shrink-the-economy-cbo-finds/>.

²⁰ Congressional Budget Office, "How the 2018 Tax Act Affects CBO's Projections," John McCelland and Jeffrey Werling, April 20, 2018, <https://www.cbo.gov/publication/53787>.

have largely matched CBO's projections of the TCJA's cost when adjusted for inflation.²¹ Do you agree that extending tax cuts reduces federal tax revenues?

- a. Do you believe that the CBO and Joint Committee on Taxation (JCT) should use dynamic scoring?²² If so, what growth assumptions do you think are realistic in dynamic scoring and why?
 - b. Do you support CBO and JCT scoring extensions of expiring tax cuts on a current law baseline,²³ especially if their original passage was scored on a current law baseline?
 - i. If a law costs \$1 billion per year, and the law applies for 10 years, how much does it cost in total over those 10 years?
 - ii. Does the answer change if Congress achieves this result by passing two bills instead of one?
 - c. CBO recently found that letting the Trump tax cuts expire would actually grow the economy.²⁴ Could you explain what, if anything, you think CBO is getting wrong?
2. Will you oppose any tax cut plan that, according to official scoring by CBO or JCT, increases the deficit over a ten-year period?
 3. Secretary Bessent has stated that he plans to cut the deficit by three percent of GDP.²⁵ If the 2017 Trump tax cuts are extended, how much would the federal government have to cut spending in order to achieve his deficit goal? What programs would you recommend cutting and by how much?
 4. Would you support efforts to raise revenue or cut spending to offset the cost of Republicans' planned tax cuts for the wealthy by:
 - a. Reducing Medicare, Medicaid, or Social Security benefits? If so, by how much?
 - b. Repealing investments in clean energy previously enacted under the Biden Administration?²⁶
 - c. Closing the carried interest loophole to ensure that wealthy private equity and hedge fund managers pay their fair share, potentially raising \$63.1 billion in revenue over ten years according to the JCT?²⁷

²¹ Center for American Progress, "The Trump Tax Cuts Led to Record-Low, Not High, Revenues Outside of a Recession," August 28, 2024, <https://www.americanprogress.org/article/the-trump-tax-cuts-led-to-record-low-not-high-revenues-outside-of-a-recession>.

²² Tax Policy Center, "What are dynamic scoring and dynamic analysis?," <https://taxpolicycenter.org/briefing-book/what-are-dynamic-scoring-and-dynamic-analysis>.

²³ U.S. House Budget Committee, "CBO 2024 Baseline: Understanding the Baseline," February 5, 2024, <https://budget.house.gov/press-release/cbo-2024-baseline-understanding-the-baseline>.

²⁴ Tax Policy Center, "CBO Finds TCJA Expirations Would Boost The Economy," Renu Zaretsky, December 5, 2024, <https://taxpolicycenter.org/daily-deduction/cbo-finds-tcja-expirations-would-boost-economy>.

²⁵ Harvard Kennedy School, "Economic Growth Won't Reduce the Deficit Enough," Jason Furman, December 4, 2024, <https://www.hks.harvard.edu/centers/mrcbg/publications/economic-growth-wont-reduce-deficit-enough>.

²⁶ Semafor, "US manufacturing is at risk from Trump, climate official warns," Tim McDonnell, November 15, 2024, <https://www.semafor.com/article/11/15/2024/us-manufacturing-at-risk-from-donald-trump-joe-bidens-climate-adviser-warns>.

²⁷ Tax Notes, "Wyden Announces Bill to Change Carried Interest Tax Treatment," November 15, 2023, <https://www.taxnotes.com/research/federal/legislative-documents/congressional-news-releases/wyden-announces-bill-to-change-carried-interest-tax-treatment/7hk8q>.

- d. Raising tariffs? If so, please explain your plan.
 - e. Implementing the global minimum tax agreement and ending tax breaks for multinational corporations when they offshore jobs and profits?
5. President Trump has promised to cut electricity prices in half.²⁸ Research shows that the repeal of energy credits would increase energy costs.²⁹ Do you agree that slowing energy deployment during a period of anticipated load growth will likely increase energy prices?
 6. In September 2024, the Treasury Department released its proposed rules for the Corporate Alternative Minimum Tax (CAMT).³⁰ The tax is estimated to generate more than \$250 billion from about 100 of the most profitable companies over 10 years.³¹ Will you commit to finalizing, implementing, and enforcing the CAMT regulations quickly, without providing new tax breaks for corporations?
 7. In June 2024, the Treasury Department issued guidance targeting how partnerships attain inappropriate tax benefits by artificially inflating the basis of their underlying assets through basis-shifting transactions.³² Do you commit to following through on the Treasury partnership-basis-shifting rulemaking project?
 8. Following a lobbying blitz led by big corporations after the enactment of the TCJA, the Treasury Department used its regulatory power to carve out exceptions and giveaways for the rich.³³ What is your plan to ensure that the previous regulatory giveaway is not repeated? Will you work to reverse previous rulemaking that led to exceptions and giveaways for the rich?
 9. The Standard Industry Fare Level (SIFL) valuation method allows executives who report the personal use of corporate jets to significantly downplay the value of the flights on their tax returns, resulting in a reduction of their tax bill.³⁴ If confirmed, would you exercise

²⁸ New York Times, “Trump Promised to Halve Energy Costs in 18 Months. Experts Have Doubts.,” Lisa Friedman, November 23, 2024, <https://www.nytimes.com/2024/11/23/climate/trump-climate-energy-costs.html>.

²⁹ American Council for an Energy-Efficient Economy, “Rolling Back Efficiency Policies Would Raise Energy Bills and Hurt Competitiveness,” Steven Nadel, November 13, 2024, <https://www.aceee.org/blog-post/2024/11/rolling-back-efficiency-policies-would-raise-energy-bills-and-hurt>.

³⁰ U.S. Department of the Treasury, “U.S. Department of the Treasury Releases Proposed Rules for Corporate Alternative Minimum Tax to Address Significant Corporate Tax Avoidance By Companies with \$1 Billion Or More In Annual Profit,” press release, September 12, 2024, <https://home.treasury.gov/news/press-releases/jy2574>.

³¹ *Id.*

³² Internal Revenue Service, “New IRS, Treasury guidance focuses on ‘basis shifting’ transactions used by partnerships,” June 17, 2024, <https://www.irs.gov/newsroom/new-irs-treasury-guidance-focuses-on-basis-shifting-transactions-used-by-partnerships>.

³³ New York Times, “How Big Companies Won New Tax Breaks From the Trump Administration,” Jesse Drucker and Jim Tankersley, December 30, 2019, <https://www.nytimes.com/2019/12/30/business/trump-tax-cuts-beat-gilti.html>.

³⁴ Medium, “How Treasury and the IRS have the authority to eliminate a little-known tax subsidy for executives’ personal use of corporate jets,” The Tax Law Center at NYU Law, February 22, 2024, <https://medium.com/@taxlawcenter/how-treasury-and-the-irs-have-the-authority-to-eliminate-a-little-known-tax-subsidy-for-executives-ec62ec1fc958>.

Treasury's authority to revisit these income inclusion regulations to more accurately reflect the benefit that executives receive?³⁵

10. President Trump previously claimed he had nothing to do with Project 2025.³⁶ However, his decision to tap its authors for key roles in his Administration has raised questions about Project 2025's alignment with Trump's overall agenda.³⁷ Do you support the following tax reform plans listed in Project 2025?:

- a. Cutting the corporate tax rate to 18 percent³⁸ (amounting to a \$24 billion tax cut for the Fortune 100 companies)?³⁹
- b. Cutting the corporate tax rate to 15 percent, as has been floated by President Trump⁴⁰ (amounting to a \$48 billion tax cut for the Fortune 100 companies)?⁴¹
- c. Taxing capital gains and qualified dividends at 15 percent, as well as eliminating the net investment income tax received by households making more than \$200,000?⁴² These combined changes to the tax brackets would effectively deliver a tax cut of \$2.4 million to households making more than \$10 million annually.⁴³
- d. Enacting a two-income tax bracket system that would increase taxes by \$3,000 for a typical family of four,⁴⁴ and raise taxes by \$950 for the typical single-person household?⁴⁵

³⁵ *Id.*

³⁶ PBS News, "WATCH: 'I have nothing to do with Project 2025,' Trump says," Kenichi Serino, September 10, 2024, <https://www.pbs.org/newshour/politics/watch-i-have-nothing-to-do-with-project-2025-trump-says>.

³⁷ AP News, "After Trump's Project 2025 denials, he is tapping its authors and influencers for key roles," Bill Barrow, November 23, 2024, <https://apnews.com/article/trump-project-2025-administration-nominees-843f5ff20131ccba5f056e7ccc5baf23>.

³⁸ Mandate for Leadership, "The Conservative Promise: Project 2025," Kevin Roberts, Paul Dans and Steven Groves, April 2022, p. 696, https://static.project2025.org/2025_MandateForLeadership_FULL.pdf.

³⁹ Center for American Progress, "Project 2025's Tax Plan Would Raise Taxes on the Middle Class and Cut Taxes for the Wealthy," Brendan Duke, August 27, 2024, <https://www.americanprogress.org/article/project-2025s-tax-plan-would-raise-taxes-on-the-middle-class-and-cut-taxes-for-the-wealthy/>.

⁴⁰ Tax Policy Center, "Five Questions About Trump's Made-in-America Corporate Tax Rate," Renu Zaretsky, September 9, 2024, <https://taxpolicycenter.org/taxvox/five-questions-about-trumps-made-america-corporate-tax-rate>.

⁴¹ Center for American Progress Action, "Trump's \$50 Billion Tax Giveaway to the 100 Largest Corporations," Brendan Duke and Will Ragland, June 12, 2024, <https://www.americanprogressaction.org/article/trumps-50-billion-tax-giveaway-to-the-100-largest-corporations/>.

⁴² Mandate for Leadership, "The Conservative Promise: Project 2025," Kevin Roberts, Paul Dans and Steven Groves, April 2022, p. 696, https://static.project2025.org/2025_MandateForLeadership_FULL.pdf.

⁴³ Center for American Progress, "Project 2025's Tax Plan Would Raise Taxes on the Middle Class and Cut Taxes for the Wealthy," Brendan Duke, August 27, 2024, <https://www.americanprogress.org/article/project-2025s-tax-plan-would-raise-taxes-on-the-middle-class-and-cut-taxes-for-the-wealthy/>.

⁴⁴ Mandate for Leadership, "The Conservative Promise: Project 2025," Kevin Roberts, Paul Dans and Steven Groves, April 2022, p. 696, https://static.project2025.org/2025_MandateForLeadership_FULL.pdf; Center for American Progress, "Project 2025's Tax Plan Would Raise Taxes on the Middle Class and Cut Taxes for the Wealthy," Brendan Duke, August 27, 2024, <https://www.americanprogress.org/article/project-2025s-tax-plan-would-raise-taxes-on-the-middle-class-and-cut-taxes-for-the-wealthy/>.

⁴⁵ Center for American Progress, "Project 2025's Tax Plan Would Raise Taxes on the Middle Class and Cut Taxes for the Wealthy," Brendan Duke, August 27, 2024, <https://www.americanprogress.org/article/project-2025s-tax-plan-would-raise-taxes-on-the-middle-class-and-cut-taxes-for-the-wealthy/>.

- e. Replacing income and corporate taxes with a flat consumption tax?⁴⁶ This would result in a \$5,900 average tax increase for 20 percent of households and a \$2 million tax cut for the top 0.1 percent.⁴⁷

Internal Revenue Service

The Internal Revenue Service (IRS) is a key bureau within the Treasury Department—bringing in 95 percent of all federal revenue to fund investments in the U.S. economy, and making sure hardworking Americans get the taxpayer services and refunds they deserve.⁴⁸ The IRS is charged with ensuring that fraudsters are not dodging the taxes they owe, and must do so whilst making sure that no American is unfairly targeted for a tax audit. Its independence has enabled it to make objective, impartial decisions and foster fairness within the tax system—values that have been and must remain constant regardless of which party is in power.⁴⁹

Unfortunately, over a decade of underfunding has impaired the IRS’s ability to chase wealthy tax cheats and modernize its taxpayer services, though that has been changing.⁵⁰ With funding from the *Inflation Reduction Act* (IRA), IRS has ramped up its enforcement efforts, already raking in \$1 billion from wealthy tax cheats⁵¹ and improving taxpayer services—from slashing call wait times and the return backlog to launching the successful Direct File program.⁵² Treasury and the IRS have also implemented the IRA to expand the manufacturing base in the United States, create

⁴⁶ Mandate for Leadership, “The Conservative Promise: Project 2025,” Kevin Roberts, Paul Dans and Steven Groves, April 2022, p. 698, https://static.project2025.org/2025_MandateForLeadership_FULL.pdf.

⁴⁷ Center for American Progress, “Project 2025’s Tax Plan Would Raise Taxes on the Middle Class and Cut Taxes for the Wealthy,” Brendan Duke, August 27, 2024, <https://www.americanprogress.org/article/project-2025s-tax-plan-would-raise-taxes-on-the-middle-class-and-cut-taxes-for-the-wealthy/>.

⁴⁸ Washington Post, “Elon Musk’s worst suggestion so far: ‘Delete’ the IRS?,” Natasha Sarin, December 12, 2024, <https://www.washingtonpost.com/opinions/2024/12/12/elon-musk-irs-taxes/>; Bloomberg Tax, “Congress Must Preserve Extra IRS Funding to Put America First,” Charles Rettig, December 5, 2024, <https://news.bloombergtax.com/tax-insights-and-commentary/congress-must-preserve-extra-irs-funding-to-put-america-first?source=newsletter&item=read-text®ion=digest&login=btax>.

⁴⁹ Internal Revenue Service, “Appeals – An independent organization,” <https://www.irs.gov/appeals/appeals-an-independent-organization>.

⁵⁰ Washington Post, “Elon Musk’s worst suggestion so far: ‘Delete’ the IRS?,” Natasha Sarin, December 12, 2024, <https://www.washingtonpost.com/opinions/2024/12/12/elon-musk-irs-taxes/>; Internal Revenue Service, “IRS tops \$1 billion in past-due taxes collected from millionaires; compliance efforts continue involving high-wealth groups, corporations, partnerships,” press release, July 11, 2024, <https://www.irs.gov/newsroom/irs-tops-1-billion-in-past-due-taxes-collected-from-millionaires-compliance-efforts-continue-involving-high-wealth-groups-corporations-partnerships>; NPR, “Key IRS funds dry out in 2026. What can we expect for its future?,” Ayesha Rascoe, November 17, 2024, <https://www.npr.org/2024/11/17/nx-s1-5191842/key-irs-funds-dry-out-in-2026-what-can-we-expect-for-its-future>.

⁵¹ Internal Revenue Service, “IRS tops \$1 billion in past-due taxes collected from millionaires; compliance efforts continue involving high-wealth groups, corporations, partnerships,” press release, July 11, 2024, <https://www.irs.gov/newsroom/irs-tops-1-billion-in-past-due-taxes-collected-from-millionaires-compliance-efforts-continue-involving-high-wealth-groups-corporations-partnerships>.

⁵² U.S. Department of the Treasury, “U.S. Department of the Treasury, IRS Announce 30 Million Americans in 24 States Eligible For Direct File in Filing Season 2025,” press release, October 3, 2024, <https://home.treasury.gov/news/press-releases/jy2629>.

good jobs, enhance energy security, and build out critical domestic supply chains.⁵³ Rather than building on these gains, Republicans in Congress have continued to try to cut IRS funding and repeal portions of the IRA, even though it would harm hardworking Americans just trying to file their taxes and hurt American workers and manufacturers, while increasing the deficit by letting wealthy tax cheats off the hook.⁵⁴

Elon Musk and his Department of Government Efficiency (DOGE) have reportedly arrived at the IRS, initiating mass firings at the agency—disproportionately targeting people who work in collections—and reportedly seeking access to the sensitive personal data on millions of American taxpayers that is stored by the IRS.⁵⁵

1. Do you support DOGE’s efforts at the IRS to date, including DOGE’s mass firings and access to Americans’ sensitive data?
2. Have you been in touch with any of the DOGE team members who are tasked with working with the IRS? If yes, please list each conversation you have had and the substance of each conversation.
3. Do you plan to allow DOGE team members access to tax returns, or tax return information at the IRS that is protected by Sections 6103 and 7213A of the tax code?⁵⁶
 - a. If you plan to allow access to this heavily-protected information, please describe the type of return information that the DOGE team members may access and the specific reason why each DOGE team member was granted the authority to inspect tax return information.
 - b. Please also describe what steps you will take to ensure compliance with Sections 6103 and 7213A of the tax code.
4. The Trump administration has fired nearly 7,000 IRS employees, including customer-service workers and tax dispute specialists who assist taxpayers during the tax season.⁵⁷
 - a. Do you believe that it was wise of the President to fire taxpayer-facing jobs in the middle of the tax filing season?
 - b. Do you support additional reductions in force at the IRS?
 - c. How do you plan to ensure that customer service is not interrupted for the hundreds of millions of Americans who file their taxes?

⁵³ U.S. Department of the Treasury, “U.S. Department of the Treasury Releases Final Rules to Lower Consumer Costs, Continue U.S. Manufacturing Boom in Batteries and Clean Vehicles, Strengthen Energy Security,” press release, May 3, 2024, <https://home.treasury.gov/news/press-releases/jy2323>.

⁵⁴ Washington Post, “More money is helping the IRS. Republicans still want to cut its budget.,” Jacob Bogage, January 12, 2024, <https://www.washingtonpost.com/business/2024/01/11/biden-irs-republicans-congress/>.

⁵⁵ AP News, “Elon Musk’s DOGE seeks access to taxpayer data at IRS: AP sources,” Fatima Hussein, February 17, 2025, <https://apnews.com/article/doge-treasury-irs-taxpayer-data-musk-7d6b80e429106250afa6d02e55a981b1>; NPR, “IRS cuts over 6,000 jobs in the middle of tax season,” Scott Horsley, February 20, 2025, <https://www.npr.org/2025/02/20/nx-s1-5304220/irs-job-cuts-doge-tax-season>.

⁵⁶ 26 U.S.C. 6103; 26 U.S.C. 7213A.

⁵⁷ Reuters, “IRS fires 6,000 employees as Trump slashes US government,” Nathan Layne and Andy Sullivan, February 20, 2025, <https://www.reuters.com/world/us/us-irs-expected-fire-6700-employees-thursday-trump-downsizing-spree-2025-02-20/>.

5. If asked by the President, or someone on his behalf, to instruct the IRS to audit a particular individual or organization, would you do so?
 - a. Do you pledge to do everything in your power to ensure that the IRS faithfully implements the law, without political interference? If not, why not?
 - b. Do you pledge to do everything in your power to ensure that taxpayer privacy is protected to the maximum extent possible, and that any violations of law regarding such protections are immediately reported to the full Senate Finance Committee? If not, why not?
6. Between 2010 and 2021, the agency's budget was cut \$2.7 billion in real terms⁵⁸ and staffing fell 22 percent, while the number of tax filers has increased by 14 percent.⁵⁹ Do you support the efforts to rescind another \$20 billion from the IRS budget, as Republican members of Congress have attempted in the FY25 Appropriations bill?⁶⁰ Do you support further cuts to the IRS budget?
 - a. If yes to either, what are your plans to ensure that the number and quality of audits of wealthy individuals do not decrease; a backlog does not occur; phones continue to be answered; and the IRS does not rely on audits of low-income taxpayers in order to generate revenue?
7. For each dollar spent by the IRS targeted at tax compliance for large companies, how many dollars do you believe the IRS recovers?
8. Tax preparation companies have egregiously - and illegally - misused sensitive and private taxpayer data, sharing it with big tech companies without obtaining permission.⁶¹
 - a. Would you recommend that the Department of Justice (DOJ) prosecute tax preparation companies that have disclosed tax preparation data for unrelated purposes, such as advertising, without consumer consent?⁶²

⁵⁸ Letter from IRS Commissioner Charles Rettig to Senator Elizabeth Warren, August 27, 2021, p. 2, <https://www.warren.senate.gov/imo/media/doc/Warren%20et%20al%20response%20to%20Warren%20082721.pdf>.

⁵⁹ *Id.*, p. 5.

⁶⁰ Tax Notes, "House GOP Strategy to Freeze \$20.2B in IRS Funding Is Paying Off," Doug Sword and Cady Stanton, November 20, 2024, <https://www.taxnotes.com/featured-news/house-gop-strategy-freeze-20.2b-irs-funding-paying/2024/11/20/7nfc9>.

⁶¹ Office of Senator Elizabeth Warren, "Senators Warren, Wyden, Representatives Porter and Sherman Call Out Tax Prep Companies for Sharing of Private Taxpayer Financial Information with Meta, Google," December 14, 2022, <https://www.warren.senate.gov/oversight/letters/senators-warren-wyden-representatives-porter-and-sherman-call-out-tax-prep-companies-for-sharing-of-private-taxpayer-financial-information-with-meta-google>.

⁶² Federal Trade Commission, "FTC Warns Tax Preparation Companies About Misuse of Consumer Data," press release, September 18, 2023, <https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-warns-tax-preparation-companies-about-misuse-consumer-data>.

9. As of October 3, 2024, more than 140,000 taxpayers across 12 states successfully filed their taxes using Direct File,⁶³ and this tax filing season, more than 30 million taxpayers across 25 states are eligible to use Direct File.⁶⁴
- Do you believe that low- and middle-income Americans with relatively simple finances should have access to simple, free, tax preparation options?
 - Do you agree with the Government Accountability Office's (GAO) report finding that the Direct File pilot was successful and should be expanded?⁶⁵
 - Do you support Secretary Bessent's commitment that Direct File will be operative this tax filing season?⁶⁶
 - If confirmed, how would you direct Treasury and IRS to support Direct File this tax filing season, including through outreach efforts for taxpayer use?
10. Please indicate whether you support continuing the efficiency and modernization efforts that the IRS is currently pursuing:
- Expand and promote digital services, including online accounts, and digital filing capabilities, to improve taxpayer self-service? (Strategy 1.1.1)⁶⁷
 - Reduce the taxpayer burden by decreasing the time between filing and compliance issue resolution? (Strategy 2.1.1)⁶⁸
 - Collaborate with stakeholders and expand our community presence to support the unique needs of underserved communities? (Strategy 1.2.1)⁶⁹
 - Provide taxpayers with limited English proficiency and/or disabilities meaningful access to the tools, knowledge and resources necessary to fulfill their tax obligations? (Strategy 1.2.2)⁷⁰
 - Expand strategic hiring efforts and utilize workforce planning to manage current and future workforce needs? (Strategy 3.1.1)⁷¹
 - Use and develop technology that helps reduce wait times on IRS phone lines?⁷²
 - Convert paper-based information into a digital format and increase access to digital data? (Strategy 4.3.2)⁷³

⁶³ U.S. Department of the Treasury, "U.S. Department of the Treasury, IRS Announce 30 Million Americans in 24 States Eligible For Direct File in Filing Season 2025," press release, October 3, 2024, <https://home.treasury.gov/news/press-releases/jy2629>.

⁶⁴ Internal Revenue Service, "IRS Direct File set to expand availability in a dozen new states and cover wider range of tax situations for the 2025 tax filing season," press release, October 3, 2024, <https://www.irs.gov/newsroom/irs-direct-file-set-to-expand-availability-in-a-dozen-new-states-and-cover-wider-range-of-tax-situations-for-the-2025-tax-filing-season>.

⁶⁵ Government Accountability Office, "IRS Successfully Piloted Online Tax Filing but Opportunities Exist to Expand Access," December 2024, p. 58, <https://www.gao.gov/assets/gao-25-106933.pdf>.

⁶⁶ AP News, "Scott Bessent confirmed as treasury secretary, giving him a key role in extending Trump's tax cuts," Fatima Hussein, January 27, 2025, <https://apnews.com/article/bessent-confirmed-treasury-secretary-2ca8eb1c882d094b032584adf1a95c48>.

⁶⁷ Internal Revenue Service, "Strategic Plan FY2022-FY2026," May 2024, p. 9, <https://www.irs.gov/pub/irs-prior/p3744--2022.pdf>.

⁶⁸ *Id.*, p. 12.

⁶⁹ *Id.*, p. 9.

⁷⁰ *Id.*

⁷¹ *Id.*, p. 15.

⁷² *Id.*, p. 19.

⁷³ *Id.*

11. Will you advocate for preserving the IRA’s provisions and IRS rules that promote domestic clean energy manufacturing, domestic supply chains, jobs with good pay, and American energy security?⁷⁴

The Implementation of President Trump’s Tariff Agenda

Tariffs have already been a central component of President Trump’s approach to trade, as he has already imposed new duties on some of our biggest trading partners.⁷⁵ You have previously signaled support for the use of tariffs,⁷⁶ and I agree that they are an important tool to boost U.S. manufacturing and level the playing field for American workers.⁷⁷ However, I remain concerned that the President has no plan in place to ensure that his tariffs are implemented effectively—in a way that both secures wins for hardworking Americans, and also precludes carveouts for special interests. Moreover, I worry that the manner that President Trump has imposed tariffs may lead to retaliatory measures that drive up prices for American consumers—and potentially even land us in a full-fledged trade war.⁷⁸

When the President enacted tariffs during his first term, he created a tariff exclusion process that allowed favored companies to gain exemptions.⁷⁹ Corporations and their lobbyists quickly took advantage of this loophole—receiving meaty exemptions from then-President Trump and his trade team during backroom deals.⁸⁰ Not only was the process for receiving an exemption “neither transparent nor objective,” according to the Commerce Department’s Inspector General,⁸¹ it also led to the provision of tariff exclusions to politically connected foreign-owned companies, and even a sanctioned company owned by a Russian autocrat.⁸² As I have expressed to a number of President Trump’s appointees, I am concerned that these big corporations are drooling at the prospect of running the same, objectively corrupt playbook next year.

⁷⁴ The White House, “Clean Energy Tax Provisions in the Inflation Reduction Act,” <https://bidenwhitehouse.archives.gov/cleanenergy/clean-energy-tax-provisions/>.

⁷⁵ Reuters, “Trump vows new Canada, Mexico, China tariffs that threaten global trade,” Costas Pitas, November 26, 2024, <https://www.reuters.com/world/us/trump-promises-25-tariff-products-mexico-canada-2024-11-25/>.

⁷⁶ Plante Moran, “Tax policy perspectives: January 2025,” Stephen Eckert, Kurt Piwko, Jeff Oliver, and John Timm, January 30, 2025, <https://www.plantemoran.com/explore-our-thinking/insight/2025/01/tax-policy-perspectives-january-2025>.

⁷⁷ Axios, “Elizabeth Warren likes tariffs, too,” Erica Pandey, March 11, 2018, <https://www.axios.com/2018/03/11/elizabeth-warren-support-trump-tariffs-china>.

⁷⁸ AP News, “US businesses brace for Trump’s tariffs on Canada, Mexico and China to drive up costs,” Paul Wiseman, February 2, 2025, <https://apnews.com/article/trump-tariffs-china-mexico-canada-inflation-economy-69bd5b4f66eeef3e0e803e0595888f23>.

⁷⁹ CNN, “Escaping Trump’s tariffs has required navigating a ‘broken’ system vulnerable to corruption, businesses and academics say,” Matt Egan, November 26, 2024, <https://www.cnn.com/2024/11/26/business/tariff-exclusions-trump-businesses/index.html>.

⁸⁰ *Id.*

⁸¹ U.S. Department of Commerce, Office of Inspector General, “Management Alert: Certain Communications by Department Officials Suggest Improper Influence in the Section 232 Exclusion Request Review Process,” memorandum, October 28, 2019, <https://www.oig.doc.gov/OIGPublications/OIG-20-003-M.pdf>.

⁸² New York Times, “How a Blacklisted Russian Firm Won (and Lost) a Break From Trump’s Tariffs,” Jim Tankersley, August 9, 2018, <https://www.nytimes.com/2018/08/09/us/politics/rusal-tariff-exemption.html>.

1. What is/are your goal/goals with the tariffs that President Trump has imposed on China, Canada, and Mexico:
 - a. Raising revenue? If so, please confirm which tariffs will be permanent and how much revenue you expect them to raise.
 - i. Will these tariffs be used to pay extensions of the Trump tax cuts?
 1. If you plan to use tariffs to pay for permanent tax cuts, does that mean you do not plan to onshore production of those products?
 - b. Negotiating leverage for new trade agreements? If so, please state your specific negotiating objectives.
 - c. Other objectives? If so, please describe.
2. Do you support establishing an exclusion process to exempt certain importers or imported products from the tariff that President Trump has announced?
 - a. If so, what are the criteria and processes for obtaining exclusions, and how will you prevent the rampant corruption that occurred in the exclusion process during the first Trump Administration?⁸³
 - b. Will you commit to putting in place a transparent and objective process that protects America's small businesses and workers?
 - c. Will you ensure that you avoid any conflicts of interest related to tariffs and tariff exemptions?
3. Are you concerned that the haphazard way that President Trump has announced and imposed tariffs is leading us into a trade war that will drive up prices for American families? If not, how do you plan to prevent a trade war given the Administration's current trajectory?
4. The *de minimis* trade provision exempts goods valued below \$800 from U.S. duties and taxes.⁸⁴ Over the last decade, there has been an exponential increase in the number of shipments claiming the exemption, making it challenging to enforce health requirements and trade laws and prevent drug traffickers from smuggling fentanyl into the U.S.⁸⁵ The Trump Administration's initial announcement of new tariffs on China beginning February 4 included repealing the *de minimis* exemption for packages originating in China, but just days later, the Administration reversed course on this

⁸³ U.S Department of Commerce, Office of Inspector General, "Management Alert: Certain Communications by Department Officials Suggest Improper Influence in the Section 232 Exclusion Request Review Process," memorandum, October 28, 2019, <https://www.oig.doc.gov/OIGPublications/OIG-20-003-M.pdf>.

⁸⁴ International Trade Administration, "De Minimis Value - Express Shipment Exemptions," <https://www.trade.gov/de-minimis-value>.

⁸⁵ The White House, "FACT SHEET: Biden-Harris Administration Announces New Actions to Protect American Consumers, Workers, and Businesses by Cracking Down on De Minimis Shipments with Unsafe, Unfairly Traded Products," September 13, 2024, <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2024/09/13/fact-sheet-biden-harris-administration-announces-new-actions-to-protect-american-consumers-workers-and-businesses-by-cracking-down-on-de-minimis-shipments-with-unsafe-unfairly-traded-products/>.

decision, pausing the *de minimis* repeal and directing the Commerce Secretary to study the issue.⁸⁶

- a. How will the *de minimis* trade provision and the delay in repealing it for Chinese imports impact the efficacy of the President's tariff plans?
 - b. Since the Treasury Department and Department of Homeland Security have authority to eliminate the exemption for specific categories as deemed necessary to protect revenue or prevent illegal imports, would you support eliminating the *de minimis* loophole for e-commerce shipments?
5. What will you do as Treasury Deputy Secretary to prevent companies from using tariffs as an excuse to hike prices on consumers?⁸⁷

Your Oversight of the Paycheck Protection Program

As Assistant Secretary for Economic Policy in the first Trump Administration, you were “directly responsible” for establishing and administering the Paycheck Protection Program (PPP), a Covid-era government loan program that replaced salaries for furloughed and unemployed workers.⁸⁸ Your administration of PPP during Trump's administration led to the “biggest fraud in a generation,” the theft of over 10 percent of the \$800 billion that Congress allocated to support small businesses.⁸⁹ During the first Trump Administration, there were 2.3 million PPP loans that were flagged as potentially fraudulent, but in his last few days in office, President Trump closed those flags, preventing the Biden Administration from investigating suspicious PPP loans.⁹⁰ Nonetheless, the Biden Administration set up new rules to curb PPP fraud.⁹¹

1. What lessons did you learn from your experience overseeing PPP?
2. If given the opportunity to administer PPP once again, how would you have administered PPP differently, if at all?

⁸⁶ Reuters, “Trump closed a loophole for low-cost imports – until all hell broke loose,” Laura Gottesdiener and Stephen Eisenhammer, February 14, 2025, <https://www.reuters.com/world/us/trump-closed-de-minimis-import-loophole-until-all-hell-broke-loose-2025-02-14/>.

⁸⁷ Washington Post, “Companies ready price hikes to offset Trump's global tariff plans,” David J. Lynch, October 30, 2024, https://www.washingtonpost.com/business/2024/10/30/companies-tariffs-trump-prices/?pwapi_token=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.

⁸⁸ Bloomberg, “Trump Picks Faulkender as Bessent's Deputy Treasury Secretary,” Jenny Leonard, Nancy Cook, and Lydia Beyoud, December 4, 2024, <https://www.bloomberg.com/news/articles/2024-12-04/trump-poised-to-pick-faulkender-as-deputy-treasury-secretary>.

⁸⁹ NBC News, “‘Biggest fraud in a generation’: The looting of the Covid relief plan known as PPP,” Ken Dilanian and Laura Strickler, March 28, 2022, <https://www.nbcnews.com/politics/justice-department/biggest-fraud-generation-looting-covid-relief-program-known-ppp-n1279664>.

⁹⁰ Project on Government Oversight, “The Great Pandemic Swindle: Feds Botched Review of Billions in Suspect PPP Loans,” Nick Schwellenbach et al, October 6, 2022, <https://www.pogo.org/investigations/the-great-pandemic-swindle-feds-botched-review-of-billions-in-suspect-ppp-loans>.

⁹¹ NBC News, “‘Biggest fraud in a generation’: The looting of the Covid relief plan known as PPP,” Ken Dilanian and Laura Strickler, March 28, 2022, <https://www.nbcnews.com/politics/justice-department/biggest-fraud-generation-looting-covid-relief-program-known-ppp-n1279664>.

3. Were you involved in President Trump's decisions to close out 2.7 million flags in PPP loans? If so, please describe your involvement.
4. Do you believe it was appropriate of the Trump Administration to close out those flags?

Department of Government Efficiency

On January 23, 2025, I sent a letter to Elon Musk outlining areas in the federal tax code where DOGE can cut waste and abuse.⁹² Those cuts include: clawing back tax expenditures, fully funding the IRS, so the government can better catch wealthy elites who avoid taxes, and ending tax breaks and loopholes for offshore jobs.⁹³

1. Do you support clawing back tax expenditures and loopholes for the wealthy, as outlined in my January 23, 2025 letter?
2. Do you support fully funding the IRS, as outlined in my January 23, 2025 letter?
3. Do you support ending tax breaks and loopholes for offshore jobs, as outlined in my January 23, 2025 letter?

Bureau of the Fiscal Service

In February 2025, Secretary Bessent granted Elon Musk and DOGE unprecedented access to Treasury's secure federal payment system.⁹⁴ This system, which holds the sensitive personal information of millions of Americans, carries out government payments to the tune of \$5 trillion a year and is overseen by the Bureau of the Fiscal Service (BFS) within the Treasury.⁹⁵ Before February, BFS was overseen by David Lebryk, a career civil servant who you have praised for his apolitical approach to government service.⁹⁶ Treasury's Office of Inspector General is launching an investigation, but it will not be completed until August.⁹⁷

1. Do you support Secretary Bessent pushing out Mr. Lebryk?
2. Do you support DOGE's access to BFS systems? Do you have any concerns with the process in which DOGE was granted access to the BFS system?

⁹² Letter from Senator Elizabeth Warren to Elon Musk, January 23, 2025, p. 13, https://www.warren.senate.gov/imo/media/doc/letter_to_doge_rerecommendationstosave2trillionoverthenext10years.pdf.

⁹³ *Id.*, pp. 13-15, 20.

⁹⁴ New York Times, "Elon Musk's Team Now Has Access to Treasury's Payments System," Andrew Duehren et al, February 1, 2025, <https://www.nytimes.com/2025/02/01/us/politics/elon-musk-doge-federal-payments-system.html>.

⁹⁵ *Id.*; Bureau of the Fiscal Service, "Secure Payment System," <https://fiscal.treasury.gov/sps/>.

⁹⁶ Washington Post, "Senior U.S. official exits after rift with Musk allies over payment system," Jeff Stein, Isaac Arnsdorf, and Jacqueline Alemany, January 31, 2025, <https://www.washingtonpost.com/business/2025/01/31/elon-musk-treasury-department-payment-systems/>.

⁹⁷ Letter from Deputy Inspector General Loren J. Sciarba to Ranking Member Elizabeth Warren, February 13, 2025, p. 2, https://www.banking.senate.gov/imo/media/doc/response_from_treasury_ig.pdf.

3. If confirmed, how would you protect the sensitive personal information of hundreds of millions of Americans contained by the Treasury Department from unauthorized access, including by members of DOGE?
4. What safeguards are in place to ensure access to BFS systems are not abused?
 - a. What safeguards are in place to protect Americans' personal and private data?
 - b. What safeguards are in place to protect national security?
 - c. What safeguards are in place to protect the integrity of the payment system and ensure that no authorized payment is delayed or canceled?
5. What Department procedures are in place for controlling and providing access to BFS systems?
6. As a named nominee for a Treasury position, were you made aware of DOGE's BFS access before it happened?
7. Did President Trump or anyone at the White House suggest firing Mr. Lebryk or putting him on leave? If yes, who suggested it, when did they suggest it, and why did they suggest firing him or putting him on leave?
8. Elon Musk's X announced that it would be partnering with Visa on a payment system it plans to launch this year.⁹⁸
 - a. Has anyone from Visa, X, or entities associated with Musk discussed with Treasury the possibility of gaining access to Treasury payment systems?

Investment Security

The Treasury Secretary has powerful tools to advance the United States' economic and national security, including through its role as chair of the Committee on Foreign Investment in the United States (CFIUS) and its administration. CFIUS is tasked with reviewing covered transactions involving foreign investments in the United States and to take any necessary actions to protect our national security.⁹⁹ Treasury's Outbound Investment Security Program monitors outbound investments by United States persons into certain entities of concern that are involved in specific categories of advanced technologies and products.¹⁰⁰

1. What will be your guiding framework for using CFIUS review for advancing the U.S.'s national and economic security?
2. Do you agree that the work of CFIUS should advance the security of the American people, rather than privilege politically connected companies or otherwise serve private interests?

⁹⁸ New York Times, "Elon Musk's X Partners With Visa to Provide Financial Services," Kate Conger, January 28, 2025, <https://www.nytimes.com/2025/01/28/technology/x-visa-financial-services.html>.

⁹⁹ U.S. Department of the Treasury, "The Committee on Foreign Investment in the United States (CFIUS)," <https://home.treasury.gov/policy-issues/international/the-committee-on-foreign-investment-in-the-united-states-cfius>.

¹⁰⁰ U.S. Department of the Treasury, "Outbound Investment Security Program," <https://home.treasury.gov/policy-issues/international/outbound-investment-program>.

3. Do you agree that outbound investment from the U.S. into countries of concern to develop or exploit sensitive and advanced technologies is a potential threat to U.S. national security? How do you plan to approach this topic? Do you plan to continue or build on Treasury's current Outbound Investment Security Program?¹⁰¹

Sanctions

Treasury's Office of Foreign Assets Control (OFAC) implements and enforces sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats.¹⁰² The Office of Terrorist Financing and Financial Crimes (TFFC) helps coordinate U.S. sanctions with foreign partners and shares information to increase the effectiveness of U.S. measures.¹⁰³

1. Treasury is responsible for implementing and enforcing a wide range of U.S. sanctions programs even as increasing policy demand for use of these tools has outpaced growth in resourcing for the mission. In its 2021 sanctions review, Treasury recommended modernization steps and principles that included identifying a clear policy objective, assessing whether sanctions are the right tool to advance it, calibrating sanctions to minimize unintended impacts, coordinating with partners, and ensuring the sanctions are enforceable and adaptable – premised on a willingness to lift sanctions in response to positive change in behavior.¹⁰⁴ Do you agree with these recommendations from the review?
2. Are there particular areas in which sanctions prohibitions are too broad or otherwise overused, including in ways that could be driving migration? How serious is the risk that sanctions overuse could undermine use of the U.S. dollar in cross-border transactions globally?
3. Will you continue Treasury's work to make sure that the costs for Russia continue to rise while it continues its war of choice against Ukraine,¹⁰⁵ including but not limited to imposing sanctions on entities in China and other third countries that help Russia evade our measures?
 - a. Do you commit to briefing Congress ahead of any unwinding of Russia sanctions, prohibitions, or designations, and ahead of any decisions regarding Russian sovereign assets?

¹⁰¹ *Id.*

¹⁰² U.S. Department of the Treasury, "Office of Foreign Assets Control," <https://ofac.treasury.gov/>.

¹⁰³ U.S. Department of the Treasury, "Office of Terrorist Financing and Financial Crimes," <https://home.treasury.gov/about/offices/terrorism-and-financial-intelligence/office-of-terrorist-financing-and-financial-crimes>.

¹⁰⁴ U.S. Department of the Treasury, "The Treasury 2021 Sanctions Review," October 2021, p. 4, <https://home.treasury.gov/system/files/136/Treasury-2021-sanctions-review.pdf>.

¹⁰⁵ U.S. Department of the Treasury, "Treasury Intensifies Sanctions Against Russia by Targeting Russia's Oil Production and Exports," press release, January 10, 2025, <https://home.treasury.gov/news/press-releases/jy2777>.

4. Do you agree with Secretary Rubio that the United States could miss a closing window to promote stability in Syria and resilience against ISIS, Iran, and Russia if we do not consider updating our sanctions?¹⁰⁶
 - a. Broad, comprehensive prohibitions still apply to the country's entire economy and banking system following the end of the Assad regime.¹⁰⁷ Do you agree that we can update or unwind those broad measures to stabilize the Syrian economy while keeping other measures, such as counter-terrorism sanctions, in place?
5. Will you advocate for the use of sanctions to advance U.S. policy objectives in a targeted way without impacting populations broadly?
 - a. Licenses and exemptions for humanitarian, agricultural, and medical transactions serve an important lifesaving purpose. Do you agree that these exemptions alone cannot substitute for well-targeted sanctions when aiming to avoid large-scale civilian impact?

Bank Consolidation and Managing Failed Banks

In 2023, we experienced the second, third, and fourth largest bank failures in U.S. history, with the collapse of First Republic, SVB, and Signature Bank.¹⁰⁸ Financial regulators failed to manage the risks posed by banks of this size and enabled their rapid growth through approvals of bank mergers.¹⁰⁹ In fact, less than two years before SVB failed, the Fed approved its acquisition of Boston Private Bank and Trust following its determination that the merged bank would not “pose significant risk to the financial system in the event of financial distress.”¹¹⁰

Bank consolidation increases systemic risk in the financial system, reducing the number of smaller banks and creating even more too big to fail banks.¹¹¹ In 1994, small banks composed 84 percent of all banks in the U.S. By 2022, small banks composed just 52 percent of all banks.¹¹²

¹⁰⁶ Senate Committee on Foreign Relations, “Nomination Hearing,” January 15, 2025, <https://www.foreign.senate.gov/hearings/nominations-01-15-2025>.

¹⁰⁷ The Economist, “The West is making a muddle of its Syria sanctions,” January 9, 2025, <https://www.economist.com/middle-east-and-africa/2025/01/09/the-west-is-making-a-muddle-of-its-syria-sanctions>.

¹⁰⁸ Bankrate, “The 7 largest bank failures in US history,” Matthew Goldberg, July 24, 2024, <https://www.bankrate.com/banking/largest-bank-failures/>.

¹⁰⁹ Board of Governors of the Federal Reserve System, “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>.

¹¹⁰ Federal Reserve Board, “Order Approving the Merger of Bank Holding Companies, the Merger of Banks, and the Establishment of Branches,” FRB Order No. 2021-08, June 10, 2021, <https://www.federalreserve.gov/newsevents/pressreleases/files/orders20210610a1.pdf>.

¹¹¹ Yale Journal on Regulation, “Modernizing Bank Merger Review,” Jeremy C. Kress, Summer 2020, p. 439-440 <https://www.yalejreg.com/print/modernizing-bank-merger-review/>; Testimony of Jeremy C. Kress, Assistant Professor of Business Law, University of Michigan Stephen M. Ross School of Business, Before the U.S. House of Representatives Committee on Small Business Subcommittee on Oversight, Investigations, and Regulations “Navigating Regulations: Alternative Pathways to Investing in Small Businesses,” March 12, 2024, https://democrats-smallbusiness.house.gov/uploadedfiles/03-12-24_mr._kress_testimony.pdf.

¹¹² National Community Reinvestment Coalition, “The Great Consolidation of Banks and Acceleration of Branch Closures Across America,” Jad Edlebi, Bruce C. Mitchell, and Jason Richardson, February 2022, https://ncrc.org/wp-content/uploads/dlm_uploads/2022/02/The-Great-Consolidation-of-Banks-and-Acceleration-of-Branch-Closures-Across-America-FINALc.pdf.

Treasury plays a critical role not only in overseeing the administration’s broader financial regulatory agenda, but also in invoking the systemic risk exception to least-cost resolution in response to bank failures.¹¹³ The systemic risk exception allows the Federal Deposit Insurance Corporation (FDIC) to guarantee the uninsured deposits of a failing bank in order to prevent a wider financial crisis. The Treasury Secretary has the authority to invoke the systemic risk exception, in consultation with the President and upon the written recommendation of at least two-thirds of the boards of the FDIC and the Fed.¹¹⁴ Treasury, the Fed, and the FDIC invoked the systemic risk exception in March 2023, when the FDIC announced that it would guarantee uninsured deposits at SVB and Signature Bank.¹¹⁵

1. Would you have advised the Treasury Secretary to invoke the systemic risk exception for SVB and Signature Bank? If not, why not?
2. In the wake of the March 2023 bank crisis, then-Senator JD Vance and I expressed concerns over the FDIC’s facilitation of the sale of First Republic Bank to JPMorgan.¹¹⁶
 - a. Then-Senator Vance stated, “[h]ad First Republic’s assets been valued correctly, the FDIC would have been required under, the Least Cost Test, to liquidate First Republic rather than selling it to JPMorgan.”¹¹⁷ Do you agree with his assessment?
 - b. Do you support then-Senator Vance’s amendment to the *RECOUP Act*,¹¹⁸ which would prohibit a megabank from winning an FDIC receivership auction if there are any non-megabank bidders?
3. Do you think small businesses should have a safe place to put their money for payroll, operating expenses, and other transactions? 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?
4. Would you support bipartisan efforts to increase deposit insurance limits for small business transaction accounts?
5. Do you think bank consolidation poses a risk to the economy and financial stability?

¹¹³ U.S. Department of the Treasury, “Role of the Treasury,” <https://home.treasury.gov/about/general-information/role-of-the-treasury>; Congressional Research Service, “Bank Failures: The FDIC’s Systemic Risk Exception,” April 23, 2024, <https://crsreports.congress.gov/product/pdf/IF/IF12378>.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ Letter from Senators JD Vance and Elizabeth Warren to Chairman Gruenberg of the Federal Deposit Insurance Corporation, December 8, 2023, <https://www.vance.senate.gov/wp-content/uploads/2023/12/Senators-Vance-Warren-Letter-to-FDIC.pdf>.

¹¹⁷ Office of Senator JD Vance, “Senator Vance Rebukes FDIC Chair Gruenberg Over Potentially Illegal Mishandling of First Republic Sale to JPMorgan Chase, Refusal to Cooperate in Congressional Oversight,” May 16, 2024, <https://www.vance.senate.gov/press-releases/senator-vance-rebukes-fdic-chair-gruenberg-over-potentially-illegal-mishandling-of-first-republic-sale-to-jpmorgan-chase-refusal-to-cooperate-in-congressional-oversight/>.

¹¹⁸ Office of Senator JD Vance, “Vance Amendment to Discourage Megabank Acquisitions Passes Senate Committee,” June 22, 2023, <https://www.vance.senate.gov/press-releases/vance-amendment-to-discourage-megabank-acquisitions-passes-senate-committee/>.

6. Do you believe that the decline in the number of small and community banks nationally weakens our economy?
7. The *Glass-Steagall Act* was introduced in response to the financial crash of 1929, to stabilize the banking system by separating commercial and investment banking.¹¹⁹ Key provisions of the bill were repealed in 1999.¹²⁰ Reinstating *Glass Steagall* has bipartisan support. President-elect Trump has previously called for a 21st century *Glass-Steagall*.¹²¹ Do you agree that Congress should break up banks' commercial and investment banking functions?

Financial Stability Oversight Council

Following the financial crisis, Congress established the Financial Stability Oversight Council (FSOC) to identify, monitor, and address risks that could destabilize the financial system and harm the economy.¹²²

Prior to the creation of FSOC, there was not a single government entity tasked with assessing and mitigating the evolving risks that build up in and across financial institutions and markets.¹²³ “Risky financial activities and products sprouted in the cracks of the financial regulatory infrastructure,”¹²⁴ and FSOC was designed to mitigate those risks by bringing together the heads of the federal financial regulatory agencies.

One of FSOC's most powerful statutory tools is its authority to subject systemically risky nonbank financial companies to enhanced oversight and financial stability safeguards.¹²⁵ This authority was designed to avoid a repeat of the costs that the failure or near-failure of AIG, Lehman Brothers, and other systemically important nonbanks caused in the 2008 financial crisis.¹²⁶

The previous Trump administration dropped the enhanced safeguards that the Obama administration had placed on certain large and complex insurance conglomerates, including AIG, and also steadily cut funding and staff for FSOC and its data-driven research arm, the Office of Financial Research (OFR).¹²⁷ FSOC and OFR are funded through fees on large financial firms, not

¹¹⁹ Federal Reserve History, “Banking Act of 1933 (Glass-Steagall),” November 22, 2013, <https://www.federalreservehistory.org/essays/glass-steagall-act>.

¹²⁰ *Id.*

¹²¹ BBC News, “Trump is considering new Glass-Steagall-style bank rules,” May 1, 2017, <https://www.bbc.com/news/business-39770289>.

¹²² U.S. Department of the Treasury, “Financial Stability Oversight Council,” <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/fsoc>.

¹²³ Center for American Progress, “The Trump Administration is Quietly Slashing Financial Stability Funding,” Gregg Gelzinis, December 7, 2017, <https://www.americanprogress.org/article/trump-administration-quietly-slashing-financial-stability-funding/>.

¹²⁴ Center for American Progress, “5 Priorities for the Financial Stability Oversight Council,” Gregg Gelzinis, March 31, 2021, <https://www.americanprogress.org/article/5-priorities-financial-stability-oversight-council/>.

¹²⁵ *Id.*

¹²⁶ *Id.*

¹²⁷ Reuters, “Trump administration cuts staff at financial markets watchdog- source,” Pete Schroeder, August 8, 2018, <https://www.reuters.com/article/business/trump-administration-cuts-staff-at-financial-markets-watchdog-source-idUSKBN1KT23R/>.

through congressional appropriations. That means that the funding cuts not only made the U.S. financial system more vulnerable—they also did not save taxpayers any money.¹²⁸ The Biden Administration has restored that funding,¹²⁹ and under Secretary Yellen, FSOC has published critical research evaluating the systemic risk posed by emerging threats from consolidation and technological changes.¹³⁰ In particular, FSOC has drawn attention to the systemic risks posed by hedge funds and private equity, stablecoins, and cloud services providers, among other entities.¹³¹

However, Project 2025 goes even further than the first Trump administration’s actions, recommending that Congress should repeal FSOC.¹³²

1. Do you agree that one of the lessons learned from the 2008 financial crisis is that the U.S. should have a regulatory body tasked with overseeing the buildup of risk across the entire financial system? Should Congress abolish FSOC?
2. OFR resides within the Treasury and helps policymakers and FSOC identify threats to the financial system.¹³³ OFR is similarly funded through assessments on large banks rather than through congressional appropriations.¹³⁴ During the last Trump presidency, the administration cut funding to OFR, which severely undermined OFR’s ability to support FSOC.¹³⁵
 - a. Are there pockets of the financial system that you think are too opaque? Would you encourage OFR to enhance transparency in those segments of the financial system?
3. In the 2008 financial crisis, financial companies that were not banks became so intertwined in our financial system that they could have brought down the entire economy.¹³⁶ The collapses of investment companies Lehman Brothers and Bear Stearns and the insurance giant AIG contributed to the crisis, causing millions of families to lose their jobs, their

¹²⁸ *Id.*; Center for American Progress, “The Trump Administration is Quietly Slashing Financial Stability Funding,” Gregg Gelzinis, December 7, 2017, <https://www.americanprogress.org/article/trump-administration-quietly-slashing-financial-stability-funding/>.

¹²⁹ U.S. Department of the Treasury, “Office of Financial Research FY 2022,” <https://home.treasury.gov/system/files/266/21.-OFR-FY-2022-BIB.pdf>.

¹³⁰ U.S. Department of the Treasury, “Remarks by Secretary of the Treasury Janet L. Yellen at the Open Session of the Meeting of the Financial Stability Oversight Council,” December 6, 2024, <https://home.treasury.gov/news/press-releases/jy2737>.

¹³¹ Financial Stability Oversight Council, “2024 Annual Report,” <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

¹³² Project 2025 Presidential Transition Project, “Chapter 22: Department of the Treasury,” William L. Walton, Stephen Moore, and David R. Burton, p. 705, https://static.project2025.org/2025_MandateForLeadership_FULL.pdf.

¹³³ Office of Financial Research, “About Us,” <https://www.financialresearch.gov/about/>.

¹³⁴ Center for American Progress, “The Trump Administration is Quietly Slashing Financial Stability Funding,” Gregg Gelzinis, December 7, 2017, <https://www.americanprogress.org/article/trump-administration-quietly-slashing-financial-stability-funding/>.

¹³⁵ *Id.*

¹³⁶ Office of Senator Elizabeth Warren, “At Hearing , Warren Calls out Trump Administration for Weakening Oversight of Giant Nonbank Financial Institutions, May 11, 2022, <https://www.warren.senate.gov/newsroom/press-releases/icymi-at-hearing-warren-calls-out-trump-administration-for-weakening-oversight-of-giant-nonbank-financial-institutions>.

homes, and their retirement savings.¹³⁷ FSOC has the authority to proactively subject risky nonbank financial companies to enhanced oversight and financial stability safeguards by designating the firm as systemically important.

- a. Do you agree that FSOC’s authority to designate nonbanks as systemically important is necessary to fulfill its statutory mission?
 - b. Do you believe that across the financial system, including asset management firms, private equity and hedge funds, insurance companies, nonbank mortgage companies, and other nonbanks, there is not a single firm whose failure or ongoing activities could disrupt financial stability?
 - c. In evaluating different categories of nonbank financial companies, what type of large and complex firm are you most worried could threaten financial stability?
4. FSOC’s most recent annual report identified financial vulnerabilities in a variety of areas that pose severe risks to the economy including commercial real estate, digital assets, and climate-related financial risks.¹³⁸
- a. With regard to commercial real estate FSOC stated, “weakening credit conditions in commercial real estate (CRE)—especially in the office sector and segments of the multifamily sector—have led to concerns among market participants about regional banks with large CRE concentrations.”¹³⁹ Do you agree with this assessment?
 - b. The stablecoin Tether holds a significant percentage of U.S. Treasuries. According to FSOC’s most recent annual report, “since the first appearance of U.S. Treasuries on Tether’s attestations in 2021, its direct and indirect holdings have allegedly increased by over 571.57 percent to \$102.61 billion. If Tether continues its alleged current rate of Treasury purchases, it could become a significant holder of U.S. Treasuries and could present risks to the stability of the Treasury market if it experienced a run.”¹⁴⁰ Do you agree with this assessment?
 - c. FSOC stated, “[c]limate-related financial risk can manifest as and amplify traditional risks, such as credit, market, liquidity, operational, compliance, reputational, and legal risks.”¹⁴¹ Do you agree with this assessment?
 - d. What do you see as the financial sector vulnerabilities that pose the most risk to the economy?

¹³⁷ PBS Frontline, “How Much Did the Financial Crisis Cost?,” Sarah Childress, May 31, 2012, <https://www.pbs.org/wgbh/frontline/article/how-much-did-the-financial-crisis-cost/>; Federal Reserve Bank of St. Louis, “The End is in Sight for the U.S. Foreclosure Crisis,” William R. Emmons, December 2, 2016, <https://www.stlouisfed.org/on-the-economy/2016/december/end-sight-us-foreclosure-crisis#endnote1>.

¹³⁸ Financial Stability Oversight Council, “2024 Annual Report,” pp. 7-10, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

¹³⁹ Financial Stability Oversight Council, “2024 Annual Report,” p. 53, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

¹⁴⁰ Financial Stability Oversight Council, “2024 Annual Report,” p. 46, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

¹⁴¹ Financial Stability Oversight Council, “2024 Annual Report,” p. 49, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

5. During the past five years, the hedge fund industry grew by almost 43 percent, from \$6.7 trillion as of the second quarter of 2019 to \$9.6 trillion as of the second quarter of 2024.¹⁴² The financial stability vulnerabilities associated with hedge funds' leveraged Treasury market exposures have also become more prominent, as FSOC identified in its most recent annual report.¹⁴³ The lack of hedge fund transparency, coupled with growing investment in the hedge fund industry, are troubling.
 - a. At the outset of the COVID-19 pandemic in March 2020, the Treasury market experienced unprecedented turmoil as liquidity worsened, leading the Fed to take extraordinary actions to restore market functioning.¹⁴⁴ Analyses suggest that large, highly leveraged hedge funds contributed to the turmoil.¹⁴⁵ Do you agree that hedge funds played a role in driving the March 2020 breakdown of the Treasury market?
 - b. Do you believe that analyzing the interconnectedness of the largest hedge funds, Treasury markets, and the banking system should be an ongoing priority for the Treasury?
 - c. The CFTC and SEC adopted amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, to enhance FSOC's ability to monitor and assess systemic risk.¹⁴⁶ Do you support the adopted amendments to Form PF? Would you support any additional enhancements to Form PF?
 - d. In its 2024 Annual Report, FSOC highlighted the liquidity risks inherent in hedge funds' direct lending/private credit business.¹⁴⁷ What are the risks you see in the private credit market? Do you intend to monitor these risks, as FSOC has done since its inception?
6. Banks and financial companies are becoming increasingly dependent on cloud service providers for their data storage, but these systems pose risks to the safety and stability of our nation's financial system particularly given the high concentration in this market. Amazon Web Services, Microsoft Azure, and Google Cloud Platform currently make up 67 percent of the worldwide cloud infrastructure market.¹⁴⁸ Should FSOC consider designating the three leading cloud-based computing storage providers for the financial industry as systemically important financial market utilities (SIFMUs)?

¹⁴² Financial Stability Oversight Council, "2024 Annual Report," p. 10, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

¹⁴³ *Id.*

¹⁴⁴ New York Times, "The Financial Crisis the World Forgot," Jeanna Smialek, March 16, 2021, <https://www.nytimes.com/2021/03/16/business/economy/fed-2020-financial-crisis-covid.html>.

¹⁴⁵ Board of Governors of the Federal Reserve System, FEDS Notes, "Hedge Fund Treasury Exposures, Repo, and Margining," Ayelen Banegas and Phillip Monin, September 8, 2023, <https://www.federalreserve.gov/econres/notes/feds-notes/hedge-fund-treasury-exposures-repo-and-margining-20230908.html#:~:text=In%20March%202020%2C%20as%20volatility,losses%20and%20liquidate%20their%20positions.>

¹⁴⁶ U.S. Securities and Exchange Commission, "Fact Sheet: SEC/CFTC Amendments to Form PF," <https://www.sec.gov/files/ia-6546-fact-sheet.pdf>.

¹⁴⁷ Financial Stability Oversight Council, "2024 Annual Report," p. 28, <https://home.treasury.gov/system/files/261/FSOC2024AnnualReport.pdf>.

¹⁴⁸ CloudZero, "13 Top Cloud Service Providers Globally In 2025," Cody Slingerland, July 18, 2024, <https://www.cloudzero.com/blog/cloud-service-providers/>.

7. Visa and Mastercard currently control 80 percent of the credit card network market share with a combined market cap of \$1 billion.¹⁴⁹ A failure of Visa or Mastercard would pose significant liquidity risks as these credit card networks are integral to our financial system, providing the infrastructure for the clearing and settling of payments.¹⁵⁰ Should FSOC consider designating Visa and Mastercard as SIFMUs given their position as the largest credit card networks in the world?
8. Last year, Moody's estimated that breaching the debt limit and defaulting on U.S. government debt would result in the loss of 6 million jobs, wipe out \$12 trillion in household wealth, and drive the stock market down by nearly one-third.¹⁵¹
 - a. Do you believe that default is a serious threat to financial stability?
 - b. Do you agree with President Trump that the debt limit should be eliminated?

Anti-Money Laundering and Countering the Financing of Terrorism

Treasury's anti-money laundering (AML) and counter-terrorism financing (CFT) regime protects our financial system from long-standing threats like corruption, fraud, and international terrorism, as well as rapidly-evolving and acute threats, such as domestic terrorism, ransomware, and other cybercrime. The Financial Crimes Enforcement Network (FinCEN), a bureau within Treasury, serves as the "financial intelligence unit" of the United States.¹⁵² FinCEN plays a crucial role in enforcing violations of the *Bank Secrecy Act* (BSA), which is the primary law that safeguards our financial system from illicit use.¹⁵³ Treasury's TFFC represents the United States at the Financial Action Task Force (FATF), an organization that researches money laundering and terrorist financing, promotes global standards to mitigate the risks, and assesses whether countries are taking effective action.¹⁵⁴

In October, TD Bank pleaded guilty to conspiracy to commit money laundering and agreed to pay a historic \$3 billion in penalties.¹⁵⁵ FinCEN levied a record \$1.3 billion penalty against TD Bank for the bank's "pervasive and systemic failure to maintain an adequate AML compliance

¹⁴⁹ CNBC, "The fight over a bill targeting credit card fees pits payment companies against retailers," Cait Freda and Kristina Partsinevelos, July 30, 2023, <https://www.cnbc.com/2023/07/30/credit-card-fee-fight-pits-payment-companies-against-retailers.html>.

¹⁵⁰ Investopedia, "Credit Card Networks: What They Are and How They Work," Lindsay Vansomeren and Brendan Harkness, October 17, 2024, <https://www.investopedia.com/credit-card-networks-8725552>.

¹⁵¹ Moody's Analytics, "Debt Limit Brinkmanship (Again)," Mark Zandi, January 23, 2023," p. 6, <https://www.moodys.com/web/en/us/insights/resources/debt-limit-brinkmanship.pdf>.

¹⁵² Financial Crimes Enforcement Network, "What We Do," <https://www.fincen.gov/what-we-do>.

¹⁵³ *Id.*

¹⁵⁴ U.S. Department of the Treasury, "Financial Action Task Force (FATF)," [https://home.treasury.gov/about/offices/terrorism-and-financial-intelligence/terrorist-financing-and-financial-crimes/financial-action-task-force-fatf#:~:text=TFFC%20represents%20the%20U.S.%20government.AML/CFT/CPF%20deficiencies; U.S. Department of the Treasury, "Financial Action Task Force," https://home.treasury.gov/policy-issues/terrorism-and-illicit-finance/financial-action-task-force](https://home.treasury.gov/about/offices/terrorism-and-financial-intelligence/terrorist-financing-and-financial-crimes/financial-action-task-force-fatf#:~:text=TFFC%20represents%20the%20U.S.%20government.AML/CFT/CPF%20deficiencies; U.S. Department of the Treasury,).

¹⁵⁵ Wall Street Journal, "Sen. Warren Rebukes DOJ Over Money-Laundering Settlement With TD Bank," Mengqi Sun, October 31, 2024, <https://www.wsj.com/articles/sen-warren-rebukes-doj-over-money-laundering-settlement-with-td-bank-1ab95f56>.

program.”¹⁵⁶ I have long been concerned about weaknesses in our AML regime that allow money laundering to flourish, and I wrote to the DOJ to express my belief that bank executives should have been prosecuted for their willful failures to implement and maintain appropriate AML protections.¹⁵⁷

Bad actors are also increasingly turning to cryptocurrency to enable money laundering, sanctions evasion, and to finance major national security threats, such as Russia’s invasion of Ukraine, North Korea’s nuclear program, China’s sale of weapons parts to sanctioned nations, and ransomware attacks.¹⁵⁸ Treasury recognized the growing threat of crypto and in November 2023, the agency published a term sheet that stated the tools that outlined five legislative proposals that would help Treasury combat illicit finance related to digital assets, including amending the BSA to include a new crypto-related category of “financial institution” that would include entities such as crypto exchanges.¹⁵⁹

Congress made a significant update to our anti-money laundering laws with the bipartisan *Corporate Transparency Act*, which provides law enforcement and national security officials with information identifying the true owners of U.S. corporations and other legal entities.¹⁶⁰ This information will help the government combat money laundering, sanctions evasion, and terrorist financing.¹⁶¹ However, Project 2025 calls for Congress to repeal the *Corporate Transparency Act* and for FinCEN to withdraw its Beneficial Ownership Reporting Rule.¹⁶²

¹⁵⁶ Financial Crimes Enforcement Network, “FinCEN Assesses Record \$1.3 Billion Penalty against TD Bank,” press release, October 10, 2024, <https://www.fincen.gov/news/news-releases/fincen-assesses-record-13-billion-penalty-against-td-bank>; United States v. TD Bank, NA, Exhibit 99.5, October 10, 2024, <https://www.sec.gov/Archives/edgar/data/947263/000119312524236631/d832799dex995.htm>.

¹⁵⁷ Letter from Senator Elizabeth Warren to Attorney General Merrick Garland and Deputy Attorney General Lisa Monaco, October 30, 2024, https://www.warren.senate.gov/imo/media/doc/warren_letter_to_doj_re_td_bank.pdf.

¹⁵⁸ Wall Street Journal, “Inside the Russian Shadow Trade for Weapons Parts, Fueled by Crypto,” Angus Berwick and Ben Foldy, April 1, 2024, <https://www.wsj.com/finance/currencies/crypto-fuels-russian-shadow-trade-for-weapons-parts-1b6dc1a1>; Chainalysis, “2022 Biggest Year Ever For Crypto Hacking with \$3.8 Billion Stolen, Primarily from DeFi Protocols and by North Korea-linked Attackers,” February 1, 2023, <https://www.chainalysis.com/blog/2022-biggest-year-ever-for-crypto-hacking/>; U.S. Senate Committee on Homeland Security & Governmental Affairs, “Use of Cryptocurrency in Ransomware Attacks, Available Data, and National Security Concerns,” May 24, 2022, <https://www.hsgac.senate.gov/wp-content/uploads/imo/media/doc/HSGAC%20Majority%20Cryptocurrency%20Ransomware%20Report.pdf>.

¹⁵⁹ U.S. Department of the Treasury, “Potential Options to Strengthen Counter-Terrorist Financing Authorities,” November 28, 2023, <https://www.coincenter.org/app/uploads/2023/12/11.28.2023-Counter-TF-Legislative-Proposals.pdf>.

¹⁶⁰ Corporate Transparency Act, Public Law 116-92.

¹⁶¹ U.S. House Committee on Financial Services Democrats, “Waters, Whitehouse, Wyden, Warren, Reed, File Amicus Brief Defending Constitutionality of Corporate Transparency Act,” press release, April 23, 2024, <https://democrats-financialservices.house.gov/news/documentsingle.aspx?DocumentID=411391>; U.S. Department of the Treasury, “Remarks by Secretary Janet L. Yellen on Anti-Corruption as a Cornerstone of a Fair, Accountable, and Democratic Economy at the Summit for Democracy,” press release, March 28, 2023, <https://home.treasury.gov/news/press-releases/jy1371>.

¹⁶² Mandate for Leadership, “The Conservative Promise: Project 2025,” Kevin Roberts, Paul Dans and Steven Groves, April 2022, p. 707, https://static.project2025.org/2025_MandateForLeadership_FULL.pdf.

1. TD Bank helped a Chinese money laundering ring succeed in moving more than \$470 million in funds from drug sales through the bank.¹⁶³
 - a. Do you believe there were supervisory failures in monitoring TD Bank's compliance with our AML laws?
 - b. If so, what specific actions would you recommend to address these failures?
2. Should AML/CFT and sanctions programs include risk-based provisions reasonably designed to prevent money laundering or terrorist financing involving digital assets?
 - a. Should the agency have a secondary sanctions-like tool that would allow it to sever fintech and crypto operators from U.S. relationships?
 - b. Should OFAC have jurisdiction over dollar-denominated stablecoins?
 - c. Should Congress clarify when and how Treasury's BSA authority and the *International Emergency Economic Powers Act* (IEEPA) apply foreign entities with certain U.S. touchpoints?
3. The *Corporate Transparency Act* requires reporting of beneficial ownership information to prevent criminals from using businesses to conceal their identities and facilitate illicit activity like money laundering, sanctions evasion, and terrorist financing.¹⁶⁴ The law requires many U.S. companies to report their true, or "beneficial," owners to a confidential database housed at the U.S. Treasury, stating that the law would "assist law enforcement in detecting and preventing illicit activity such as terrorist financing and money laundering."¹⁶⁵ Now the Trump Administration is in charge of administering that database, including providing access to it for law enforcement and national security officials.
 - a. Do you see the *Corporate Transparency Act* as an important new tool for the U.S.' ability to prevent terrorism and to follow the money that finances it?
 - b. Do you agree with the authors of Project 2025 that the *Corporate Transparency Act* should be repealed by Congress?
 - c. Will you work with Congress to make sure that the office responsible for maintaining the database, FinCEN, has sufficient staff, technology, and other necessary funding to make the most out of this new tool?
 - d. Absent such action by Congress, will you commit to fully implementing and enforcing the provisions of the *Corporate Transparency Act*?
 - e. Will you commit to retention of FinCEN's beneficial ownership reporting rule?¹⁶⁶

¹⁶³ Wall Street Journal, "TD Bank Faces Calls to Identify Executives Responsible for Money-Laundering Breaches," Dylan Tokar, December 10, 2024, <https://www.wsj.com/articles/td-bank-faces-calls-to-identify-executives-responsible-for-money-laundering-breaches-fcd7f3c1>.

¹⁶⁴ Corporate Transparency Act, Public Law 116-92.

¹⁶⁵ Office of Management and Budget, "Statement of Administration Policy, H.R. 2513 – Corporate Transparency Act of 2019, as amended by Manager's Amendment," October 22, 2019, https://trumpwhitehouse.archives.gov/wp-content/uploads/2019/10/SAP_HR-2513.pdf.

¹⁶⁶ Financial Crimes Enforcement Network, "FinCEN Issues Final Rule Regarding Access to Beneficial Ownership Information," press release, December 21, 2023, <https://www.fincen.gov/news/news-releases/fincen-issues-final-rule-regarding-access-beneficial-ownership-information>.

4. Treasury identified in its 2024 National Money Laundering Risk Assessment that “fraud remains the largest and most significant proceed-generating crime for which funds are laundered in or through the United States.”¹⁶⁷
 - a. Do you agree that addressing fraud should remain a priority for the Treasury Department?
 - b. What actions will you prioritize as Deputy Secretary to limit fraud and the associated money laundering?
5. Do you agree that Treasury should use its tools to protect the financial system from being exploited or destabilized by rogue states, terrorists, and other malign actors?

Housing

We are experiencing a nationwide housing shortage. By some estimates, the United States needs approximately five million housing units to fill the gap.¹⁶⁸ There are a number of explanations for this crisis, including unnecessary regulatory barriers and land use restrictions, decades of government disinvestment, and the high cost of capital for construction. As Treasury Deputy Secretary, if confirmed, you would play a key role in leading the federal government’s response to this crisis.

1. Are you committed to using the tools of the federal government to increase the supply of affordable housing as Treasury Deputy Secretary?
2. The Low-Income Housing Tax Credit (LIHTC) is the largest federal program dedicated to constructing and preserving affordable rental homes, supporting the construction of over 3.5 million affordable units.¹⁶⁹ A bipartisan coalition of lawmakers in Congress has introduced legislation that would expand LIHTC, including by providing more support for extremely low-income households and rural and Native American communities.¹⁷⁰
 - a. Do you support LIHTC as a way to increase the supply of affordable rental homes?
 - b. Do you support expanding LIHTC, including in ways to better serve extremely low-income households and renters living in rural and Tribal areas?
3. In 2019, then-HUD Secretary Carson stated, “[t]he correlation seems very strong: The more zoning restrictions and regulations, the higher the prices and the more homeless people.”¹⁷¹

¹⁶⁷ U.S. Department of the Treasury, “2024 National Money Laundering Risk Assessment,” February 2024, p. 3, <https://home.treasury.gov/system/files/136/2024-National-Money-Laundering-Risk-Assessment.pdf>.

¹⁶⁸ Brookings, “Make it count: Measuring our housing supply shortage,” Elena Patel, Aastha Rajan, and Natalie Tomeh, November 26, 2024, <https://www.brookings.edu/articles/make-it-count-measuring-our-housing-supply-shortage/>.

¹⁶⁹ *Id.*

¹⁷⁰ Affordable Housing Tax Credit Coalition, “Affordable Housing Credit Improvement Act (AHCIA) of 2023,” <https://www.taxcreditcoalition.org/ahcia/>.

¹⁷¹ Minnesota Star Tribune, “U.S. Housing Secretary Ben Carson: More should follow Minneapolis and phase out single-family zoning,” Marissa Evans, June 18, 2019, <https://www.startribune.com/u-s-housing-secretary-ben-carson-more-should-follow-minneapolis-and-phase-out-single-family-zoning/511485922>.

- a. Do you agree with then-Secretary Carson’s assessment that zoning restrictions and regulations can exacerbate the housing shortage?
 - b. Should the federal government encourage states and localities to reduce unnecessary regulatory barriers that prevent housing construction?
 - c. Does the Treasury Department have tools to help do so?
4. The homebuilding industry is becoming increasingly concentrated, with the top ten builders accounting for over 42 percent of all new single-family home closings in 2023 compared to 8.7 percent in 1989.¹⁷² Do you think that homebuilder consolidation is a problem? If so, what policy solutions do you support to address it?
5. Institutional investors, such as private equity firms, have bought up record numbers of single-family homes, manufactured housing communities, and rental properties, oftentimes jacking up rents and costs for families.¹⁷³ Do you agree that corporate investors buying up homes, crowding out individual buyers, and raising rents for renters is a problem?
6. Price fixing and other forms of collusion are illegal under antitrust law, however, companies like RealPage are allegedly enabling landlords to collude to raise rents using price-setting algorithms and non-public data.¹⁷⁴ Do you agree that federal regulators should take steps to address algorithmic price fixing in the housing market?
7. The high cost of capital has created a serious problem for housing construction, driving up expenses and stifling new development projects.¹⁷⁵
 - a. Do you believe that the federal government has a role to play in lowering the cost of capital to increase the housing supply?
 - b. If so, what are your recommendations for specific actions that the federal government can take? If not, why not?
8. Congress created the Federal Home Loan Bank System (FHLBs) to provide liquidity for housing and community development. However, in recent years, the FHLBs have fallen short of their mission.¹⁷⁶ In fiscal year 2024, the FHLBs received approximately \$7.3 billion in government subsidies.¹⁷⁷ At the same time, the FHLBs paid \$3.4 billion to their

¹⁷² National Association of Home Builders, “Top Ten Builder Share Declines in 2023,” Aaron Wade, July 18, 2024, <https://eyeonhousing.org/2024/07/top-ten-builder-share-declines-in-2023/>.

¹⁷³ U.S. Government Accountability Office, “Rental Housing: Information on Institutional Investment in Single-Family Homes,” May 2024, <https://www.gao.gov/assets/gao-24-106643.pdf>; Private Equity Stakeholder Project, “Private Equity Manufactured Housing Tracker,” September 13, 2024, <https://pestakeholder.org/pesp-private-equity-manufactured-housing-tracker/>.

¹⁷⁴ U.S. Department of Justice, Office of Public Affairs, “Justice Department Sues RealPage for Algorithmic Pricing Scheme that Harms Millions of American Renters,” press release, August 23, 2024, <https://www.justice.gov/opa/pr/justice-department-sues-realpage-algorithmic-pricing-scheme-harms-millions-american-renters>.

¹⁷⁵ Knowledge Finder, “Emerging Trends in Real Estate Global Outlook 2024,” March 12, 2024, <https://knowledge.uli.org/en/reports/emerging-trends/2024/emerging-trends-in-real-estate-global-outlook-2024>.

¹⁷⁶ Federal Housing Finance Agency, “Federal Home Loan Bank System,” <https://www.fhfa.gov/supervision/federal-home-loan-bank-system>.

¹⁷⁷ Consumer Federation of America, “New Report Shows Federal Home Loan Banks Received \$7.3 Billion in Subsidies, but Offered Little Public Benefits in Return,” press release, March 15, 2024,

members in dividends and only \$397 million to Affordable Housing Programs (AHP)—a 8.5 to 1 ratio.¹⁷⁸

- a. Should the FHLBs do more to support affordable housing?
 - b. Treasury and the Federal Housing Finance Agency (FHFA), the regulator for the FHLBs, recently recommended that the FHLBs contribute 20 percent of their net income to AHP.¹⁷⁹ Do you agree that FHLBs should commit a minimum of 20 percent of their net income to AHP?
 - c. If so, what actions will you take as Treasury Deputy Secretary to ensure that FHLBs reach that 20 percent minimum?
9. Experts have raised concerns that criminal actors are exploiting the U.S. residential real estate market to launder money and drive up costs for families.¹⁸⁰
- a. Do you commit to working proactively with FinCEN, CFIUS, and other agency partners to address any national security concerns arising out of these transactions?
 - b. Do you agree that it is important to maintain the bipartisan *Corporate Transparency Act*'s beneficial ownership reporting requirements,¹⁸¹ which Congress concluded were critical to cracking down on malign actors seeking to conceal their ownership of entities in the United States to facilitate illicit activity like money laundering, the financing of terrorism, financial fraud, and acts of foreign corruption harming the national security interests of the United States?

Ending the Conservatorships of Fannie Mae and Freddie Mac

Fannie Mae and Freddie Mac are critical actors in our nation's housing finance system, providing liquidity to thousands of banks, credit unions, and mortgage companies to originate mortgages. In the midst of the Great Recession, as both entities sustained massive losses due to the subprime mortgage crisis, the Bush Administration placed Fannie Mae and Freddie Mac into government conservatorship to prevent their collapse.¹⁸² During this conservatorship, FHFA has worked with Fannie Mae and Freddie Mac to implement a series of reforms to stabilize the entities, prevent another financial crisis, and better serve families and communities with safe and affordable

https://consumerfed.org/press_release/new-report-shows-federal-home-loan-banks-received7-3-billion-in-subsidies-but-offered-little-public-benefits-in-return.

¹⁷⁸ Federal Home Loan Banks, "Combined Financial Report for the Year Ended December 31, 2023," March 22, 2024, pp. 51, 89, https://www.fhlb-of.com/ofweb_userWeb/resources/2023Q4CFR.pdf.

¹⁷⁹ Federal Housing Finance Agency, "FHLBank System at 100: Focusing on the Future," November 2023, p. 50, <https://www.fhfa.gov/programs/fhlbank-system-100>; U.S. Department of the Treasury, "Treasury Secretary Janet L. Yellen to Announce New Housing Efforts as Part of Biden Administration Push to Lower Housing Costs," June 24, 2024, <https://home.treasury.gov/news/press-releases/jy2424>.

¹⁸⁰ Financial Crimes Enforcement Network, "FinCEN Proposes Rule to Combat Money Laundering and Promote Transparency in Residential Real Estate," February 7, 2024, <https://www.fincen.gov/news/news-releases/fincen-proposes-rule-combat-money-laundering-and-promote-transparency#:~:text=%E2%80%9Cillicit%20actors%20are%20exploiting%20the,said%20FinCEN%20Director%20Andrea%20Gacki>.

¹⁸¹ Corporate Transparency Act, Public Law 116-92.

¹⁸² Federal Housing Finance Agency, "History of Fannie Mae and Freddie Mac Conservatorships," <https://www.fhfa.gov/conservatorship/history>.

mortgages.¹⁸³ However, public reporting suggests that members of the Trump administration would like to end the conservatorships, which could increase housing costs for families and which would greatly enrich hedge fund managers who endorsed President Trump.¹⁸⁴

1. Do you support ending the conservatorships of Fannie Mae and Freddie Mac? If so, why?
2. If the Treasury Department and FHFA decide to end the conservatorships of Fannie Mae and Freddie Mac, would Treasury and FHFA do so through administrative action or through legislation by Congress? In your view, what conditions must be met before ending the conservatorships? Are there any congressional actions that must take place to end the conservatorships?
3. In your estimation, how long would it take to meet any required preconditions and complete the process of releasing Fannie Mae and Freddie Mac from conservatorship?
4. Should the Trump Administration bar any individuals or entities who would financially profit from the end of Fannie Mae and Freddie Mac's conservatorships from discussions and decision-making about potential release?
5. What conditions should the Treasury Department seek in an agreement to end Fannie Mae and Freddie Mac's conservatorships to ensure that American families, especially low-income families, are not harmed by these efforts? How would such conditions be enforced?
6. If they are released from conservatorship, do you support requirements for Fannie Mae and Freddie Mac to continue to support access to affordable mortgage credit in all markets and for qualifying low- and moderate-income families? If so, how would the Treasury Department impose those requirements and would congressional action be necessary?
7. If they are released from conservatorship, do you support requirements for Fannie Mae and Freddie Mac to continue to support access to affordable multifamily mortgage credit for housing in all markets and for qualifying properties, including those affordable to low-income renters? If so, how would you impose those requirements and would congressional action be necessary?
8. Do you support requirements for Fannie Mae and Freddie Mac to continue to cross-subsidize the mortgages they insure when released from conservatorship so that mortgage rates do not increase for American families? If so, how would the Treasury Department impose those requirements and would congressional action be necessary?
9. Do you support requirements for Fannie Mae and Freddie Mac to be subject to regulated rates of return for shareholders when released from conservatorship to encourage responsible management of their businesses and to ensure that mortgage costs do not

¹⁸³ *Id.*

¹⁸⁴ Fortune, "Trump allies want to privatize Fannie Mae and Freddie Mac—but some economists warn it would make mortgages pricier," R.J. Rico and the Associated Press, October 25, 2024, <https://fortune.com/2024/10/25/trump-allies-privatize-fannie-mae-freddie-mac/>.

increase for American families? If so, how would the Treasury Department impose those requirements and would congressional action be necessary?

10. Under conservatorship, FHFA has required Fannie Mae and Freddie Mac to treat all originators equally without regard to size or business volume.¹⁸⁵ Do you pledge to maintain that requirement in any agreement to release Fannie Mae and Freddie Mac from conservatorship? If so, how would the Treasury Department implement and enforce such a requirement?
11. Before their conservatorships, Fannie Mae and Freddie Mac were prolific lobbyists of the federal government.¹⁸⁶ Does FHFA or the Treasury Department have the authority to restrict their lobbying activity outside of the conservatorships? If so, what tools would either agency use to impose such a restriction? If not, are you concerned about the Government Sponsored Enterprises' (GSE) lobbying activity if the conservatorships were terminated?
12. During the 2008 crisis, the federal government bailed out Fannie Mae and Freddie Mac, vindicating widespread investor views that the GSEs were backed by an implied government guarantee despite their lack of an explicit government guarantee.¹⁸⁷
 - a. If the conservatorships are ended, would you support extending a full faith and credit guarantee to Fannie Mae and Freddie Mac, their securities, or their debt? In your view, would doing so require congressional action or could FHFA or the Treasury extend such a guarantee through administrative action?
 - b. Should Fannie Mae and Freddie Mac be charged a fee for any government guarantee, whether explicit or implied? If so, how much should that fee be and how would such a fee affect mortgage costs?
13. Because of the federal government's bailout of Fannie Mae and Freddie Mac, the federal government owns senior preferred shares in the GSEs.¹⁸⁸ Should American taxpayers be compensated for any redemption of their senior preferred shares?
14. In the midst of this housing supply crisis, do you agree that any funds returned to the Treasury from the redemption of Treasury's senior preferred or common shares of Fannie Mae and Freddie Mac should be earmarked to fund investments in affordable housing supply?
15. If Fannie Mae and Freddie Mac were released from conservatorship, do you anticipate that credit ratings for their products would be downgraded? If so, how much do you estimate

¹⁸⁵ HousingWire, "FHFA formally ends mortgage volume discounts from Fannie Mae, Freddie Mac," Kelsey Ramírez, September 23, 2019, <https://www.housingwire.com/articles/50212-fhfa-formally-ends-mortgage-volume-discounts-from-fannie-mae-freddie-mac/>.

¹⁸⁶ CNBC, "Fannie, Freddie Spent Millions on Lobbying," Associated Press, July 17, 2008, <https://www.cnbc.com/2008/07/17/fannie-freddie-spent-millions-on-lobbying.html>.

¹⁸⁷ NPR, "'Kill Them, Bury Them': The Rise Of Fannie And Freddie," Alex Blumberg, March 28, 2011, <https://www.npr.org/sections/money/2011/04/22/134863603/kill-them-bury-them-the-rise-of-fannie-and-freddie>.

¹⁸⁸ Federal Housing Finance Agency, "Senior Preferred Stock Purchase Agreements," <https://www.fhfa.gov/conservatorship/senior-preferred-stock-purchase-agreements>.

that their ratings would be downgraded by and how would that rating downgrade affect investors' willingness to purchase their securities? How would these changes affect mortgage rates for homebuyers?

16. In your estimation, how much would private investors in Fannie Mae and Freddie Mac immediately gain from the release of the GSEs from conservatorship?
17. Can you commit to the American people that any efforts to release Fannie Mae and Freddie Mac from conservatorship will not raise mortgage costs?

Consumer Protection

The Consumer Financial Protection Bureau (CFPB) is the only agency dedicated to protecting consumers in the financial marketplace and has delivered over \$21 billion in relief to consumers.¹⁸⁹ After reckless practices in the mortgage industry created the greatest economic catastrophe since the Great Depression, the CFPB restored and continues to maintain housing market stability. As former Republican FDIC Chair Sheila Bair wrote in a recent opinion piece: “With a budget of less than \$700mn, or about 0.01 per cent of the federal budget, the CFPB has been giving Americans good bang for their buck.”¹⁹⁰ On February 8, CFPB Acting Director Russell Vought ordered CFPB workers to stop working on all non-finalized rules and investigative work.¹⁹¹ Over 170 members of Congress, including every single Senate Democrat wrote to Mr. Vought and Secretary Bessent asking them to “restore all internal and external systems and operations, and allow the CFPB to continue to do its job of protecting American consumers.”¹⁹²

1. Do you believe that the CFPB should be abolished?
2. Do you believe the source or amount of CFPB funding should be changed? If so, in what way?
3. Do you believe the CFPB's enforcement authorities should be altered? If so, in what way?
4. Average credit card interest rates have nearly doubled to 23 percent over the last decade, and Americans are carrying a record \$1.17 trillion in credit card debt.¹⁹³ President Trump

¹⁸⁹ Consumer Financial Protection Bureau, “The CFPB,” <https://www.consumerfinance.gov/about-us/the-bureau/>.

¹⁹⁰ Financial Times, “Elon Musk should keep his hands off the CFPB,” Sheila Bair, December 12, 2024, <https://www.ft.com/content/83f8bf05-33d8-47f8-8e18-83bae9fb78c7>.

¹⁹¹ AP News, “Trump administration orders consumer protection agency to stop work, closes building,” Christopher Rugaber, February 9, 2025, <https://apnews.com/article/trump-consumer-protection-cease-1b93c60a773b6b5ee629e769ae6850e9>.

¹⁹² Letter from Ranking Member Elizabeth Warren to Consumer Financial Protection Bureau Acting Director Russell Vought and Treasury Secretary Scott Bessent, February 11, 2025, [https://www.banking.senate.gov/imo/media/doc/letter to vought bessent on cfpb.pdf](https://www.banking.senate.gov/imo/media/doc/letter%20to%20vought%20bessent%20on%20cfpb.pdf).

¹⁹³ CNBC, “Credit card debt hits record \$1.17 trillion, New York Fed research shows,” Jessica Dickler, November 13, 2024, <https://www.cnbc.com/2024/11/13/credit-card-debt-hits-record-1point17-trillion-new-york-fed-finds.html>.

recently said he would put a 10 percent cap on interest rates.¹⁹⁴ Do you agree with President Trump that a 10 percent cap on credit card APRs should be enacted?

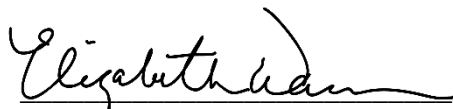
5. The CFPB has issued guidance indicating that discrimination by a financial institution may constitute an unfair, deceptive, or abusive act or practice, an interpretation that could help ensure that banks do not close accounts on the basis of protected characteristics like religion.¹⁹⁵ The CFPB has also issued rules and taken enforcement actions against financial institutions that close customer accounts without adequate notice or opportunity to obtain funds—which constitutes an unfair, deceptive, or abusive act or practice.¹⁹⁶ Do you agree with the CFPB’s efforts to prevent debanking?

Conclusion

The Treasury Deputy Secretary is responsible for implementing the President’s economic agenda, which includes taxes, trade, the banking and financial system, sanctions and money laundering compliance, and management of the national debt. The Treasury Deputy Secretary must execute policies that protect our financial system and prioritize expanding economic opportunities for the middle class over helping rich investors make more money.

Your hearing before the Senate Finance Committee is scheduled for March 6, 2025, and I ask that you come to this hearing prepared to answer the questions in this letter. I also ask that you provide written answers to these questions prior to any Finance Committee vote to advance your nomination.

Sincerely,



Elizabeth Warren
United States Senator

¹⁹⁴ Office of Senator Elizabeth Warren, “Warren at Hearing: Trump Would Have a ‘Strong Partner at the CFPB’ to Enact His Proposed 10% Cap on Credit Card Interest Rates,” press release, December 12, 2024, <https://www.warren.senate.gov/newsroom/press-releases/icymi-warren-at-hearing-trump-would-have-a-strong-partner-at-the-cfpb-to-enact-his-proposed-10-cap-on-credit-card-interest-rates>.

¹⁹⁵ Consumer Financial Protection Bureau, “CFPB Targets Unfair Discrimination in Consumer Finance,” March 16, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-targets-unfair-discrimination-in-consumer-finance/>.

¹⁹⁶ Consumer Financial Protection Bureau, “CFPB Finalizes Rule on Federal Oversight of Popular Digital Payment Apps to Protect Personal Data, Reduce Fraud, and Stop Illegal ‘Debanking’,” press release, November 21, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-on-federal-oversight-of-popular-digital-payment-apps-to-protect-personal-data-reduce-fraud-and-stop-illegal-debanking/>; Consumer Financial Protection Bureau, “CFPB Takes Action Against Chime Financial for Illegally Delaying Consumer Refunds,” press release, May 7, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-chime-financial-for-illegally-delaying-consumer-refunds>.