

## United States Senate

WASHINGTON, DC 20510

June 23, 2026

The Honorable Michelle Bowman  
Vice Chairman for Supervision  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

The Honorable Jonathan Gould  
Comptroller  
Office of the Comptroller of the Currency  
400 7th Street, SW  
Washington, DC 20219

The Honorable Travis Hill  
Chairman  
Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

The Honorable Russell Vought  
Acting Director  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Dear Vice Chairman Bowman, Comptroller Gould, Chairman Hill, and Acting Director Vought:

Under your leadership, the Administration and financial regulators have taken significant and long-overdue steps to improve the accountability and transparency of bank supervision. To further these efforts, I urge you to review and reform the rules and practices governing the disclosure of confidential supervisory information (CSI).

Confidentiality is a useful part of the supervisory process. Examiners often review proprietary business information and sensitive risk-management materials that should not be casually disclosed. An appropriate level of confidentiality facilitates candid engagement between regulators and the institutions they oversee.

However, the application of CSI rules by banking agencies and the CFPB has been far too expansive in recent years. These rules have deterred banks from sharing information with parties that have legitimate, and often essential, reasons to access it.

For example, existing rules and agency practices limit banks from sharing information with other parties, including outside counsel, auditors, consultants, third-party service providers, and potential counterparties in a merger, acquisition, or similar transaction. Under the status quo,

banks are also restrained from sharing CSI with the Secretary of the Treasury.<sup>1</sup> This prevents supervised institutions from sharing details of their concerns with the Department, an unnecessary constraint that makes it more difficult to advance regulatory and supervisory policies.

In addition to these overly burdensome and impractical restrictions, the expansive application of CSI rules has been abused in recent years to facilitate major policies without any semblance of accountability or congressional oversight. In the worst cases, the veil of confidentiality has been exploited to disfavor lawful industries and to impose partisan policy preferences without statutory authorization.

For example, under former FDIC Chairman Marty Gruenberg, the agency told banks to “pause” or “refrain from providing” digital asset banking services.<sup>2</sup> According to current Chairman Travis Hill, Gruenberg’s supervisory letters effectively signaled that the agency was “closed for business if institutions are interested in anything related to blockchain or distributed ledger technology.”<sup>3</sup> Because the letters were labeled as CSI, recipient banks were effectively barred from making them public, limiting their opportunities to seek legal recourse and alert Congress and the public to the agency’s actions. Many institutions suspended or abandoned crypto- and blockchain-related activities.<sup>4</sup> The practical effect was that, without any statutory authorization, a federal regulator exploited CSI rules as a channel to suppress lawful activity in an emerging industry.

In other instances, appeals to CSI have been exploited to stonewall congressional oversight. In 2022, a Federal Reserve Bank president cited CSI as a reason for denying Senator Pat Toomey, the Ranking Member of the Senate Banking Committee, information about the revocation of an institution’s master account.<sup>5</sup> The Reserve Bank president’s claim was a reversal of her prior acknowledgment that the information was not CSI, according to Ranking Member Toomey’s staff.<sup>6</sup> If information can be deemed confidential whenever disclosure would be inconvenient, the CSI rules become a tool for avoiding accountability. This is unacceptable and underscores why reform is necessary.

Because supervision is conducted outside the notice-and-comment process and without formal public guidance, a baseline level of transparency is necessary to ensure that supervisors

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<sup>1</sup> Treasury Secretary Scott Bessent, *Remarks before the American Bankers Association* (Apr. 9, 2025), <https://home.treasury.gov/news/press-releases/sb0078>

<sup>2</sup> Federal Deposit Insurance Corporation, *Correspondence Related to Crypto-Related Activities* (Feb. 5, 2025), <https://www.fdic.gov/foia/correspondence-related-crypto-related-activities>

<sup>3</sup> Statement of FDIC Acting Chairman Travis Hill, *FDIC Releases Documents Related to Supervision of Crypto-Related Activities* (Feb. 5, 2025), <https://www.fdic.gov/news/speeches/2025/fdic-releases-documents-related-supervision-crypto-related-activities>

<sup>4</sup> *Id.*

<sup>5</sup> Letter from Federal Reserve Bank of Kansas City President Esther George to Ranking Member Pat Toomey (June 16, 2022), [https://www.kansascityfed.org/AboutUs/documents/8854/06-16-22\\_Toomey\\_Letter\\_from\\_Esther\\_George.pdf](https://www.kansascityfed.org/AboutUs/documents/8854/06-16-22_Toomey_Letter_from_Esther_George.pdf)

<sup>6</sup> Letter from Senator Pat Toomey et al. to Federal Reserve Bank of Kansas City President Esther George (June 28, 2022), [https://www.banking.senate.gov/imo/media/doc/toomey\\_scott\\_tillis\\_lummis\\_letter\\_to\\_kc\\_fed\\_on\\_master\\_accounts.pdf](https://www.banking.senate.gov/imo/media/doc/toomey_scott_tillis_lummis_letter_to_kc_fed_on_master_accounts.pdf)

abide by the law. Confidentiality must not be exploited to block the legitimate interests of Congress and relevant third parties in understanding how supervisory authority is exercised. Accordingly, I urge you to review and reform the rules and practices governing the disclosure of CSI. Specifically, I encourage you to:

- Authorize the voluntary disclosure of CSI on a confidential basis to the Secretary of the Treasury and to members of Congress, at the discretion of the supervised institution.
- Examine the merits of permitting voluntary disclosure of CSI, subject to a confidentiality agreement, to relevant third parties with a legitimate need for the information, such as outside legal counsel, auditors, consultants, third-party service providers, potential counterparties to a merger, acquisition, or similar transaction, and other supervised institutions or associations of such institutions.

I appreciate your attention to this matter and look forward to working with you to improve the culture of bank supervision so that it is more transparent and accountable.

Sincerely,



Bill Hagerty  
United States Senator

cc: The Honorable Scott Bessent, Secretary of the Treasury