



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

October 11, 2023

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Chairman Powell:

We write to express our concerns about leaks of confidential, market-moving information from your agency regarding supervisory and regulatory plans and actions.

On July 17, 2023, ten days prior to your agency issuing notices of proposed rulemakings (NPRs), details of the proposals were reported in the press.¹ Those details unveiled significant and accurate aspects of the NPRs, including information sought by members of the Financial Services Committee prior to publication that was not provided to the Committee.

On August 30, 2023, confidential supervisory information (CSI) was revealed in the press.² Included in those press reports are details of CSI, identified by firm name, on regulatory warnings labeled matters requiring attention (MRAs) and matters requiring immediate attention (MRIAs). Press reports sourced the nonpublic CSI information that was inappropriately revealed to “people familiar with the matter.”

In our mind, it is unlikely “those people familiar with the matter” are from each of the individual firms listed in the press reports. Equally unlikely is that the press reports involve unsubstantiated speculation by reporters. We are concerned that the leaks may be from within your agency or other agencies with whom you shared the CSI. Any leak of CSI, especially tied to individual firms’ identities, would be a revelation of highly market-sensitive information.

We have the following questions:

¹ See, for example, “US Banks Face Stiffer Mortgage Capital Rule Than Global Standard,” by Katanga Johnson, Bloomberg Government (BGOV), July 17, 2023, available at <https://www.bgov.com/next/news/RXBRBZDWRGG0>.

² See, for example, “Fed ramps up demands for corrective actions by regional banks,” by Hannah Levitt, Bloomberg News, August 30, 2023, available at <https://www.bloomberg.com/news/articles/2023-08-30/fed-ramps-up-demands-for-corrective-actions-by-regional-banks#xj4y7vzkg> and


1. Did anyone at your agency provide CSI to anyone in the public related to firms referenced in the press articles identified above, including firm-specific information about MRAs and MRIAs?
 - a. If your response is no, please explain what research and investigations you performed to arrive at the response.
 - b. If your response is yes, please explain your agency's plan for punishing the offender(s) and remedying the underlying deficiencies at your agency in controls over CSI access and sharing.
2. If your agency has not found evidence of leaks of CSI from within, will your agency request, without delay, that your Office of Inspector General investigate sources of possible leaks reflected in the press reports cited above, including reviews of systems at your agency for storage of CSI to determine and interview who has recently accessed CSI that would be relevant to the press reports?
 - a. If not, why not?
3. Identify and explain systems and controls in place in your agency to monitor for unauthorized access and public disclosure of CSI.
4. Identify and explain criminal penalties, legal risks, and internal agency rules that would apply to anyone at your agency who discloses CSI without authorization, including but not limited to 18 U.S.C. § 641.
5. Identify and list each federal agency, including any voting and nonvoting members of the Financial Stability Oversight Council (FSOC), with which your agency has a memorandum of understanding including, but not limited to, any memoranda of understanding or other similar agreements entered into pursuant to § XXX.10(c)(2) of the FSOC's *Rules of Organization of the Financial Stability Oversight Council*.³
6. Identify and list any findings of deficiencies in your agency's internal processes for provision of access to CSI from your Office of Inspector General⁴ or from the Government Accountability Office in the last five years.

We appreciate your attention to this matter. Please respond no later than October 16, 2023. If you have any additional questions, please contact Megan Guiltinan (Megan.Guiltinan@mail.house.gov) in Rep. Barr's office.

³ *Rules of Organization of the Financial Stability Oversight Council*, Adopted on October 1, 2010; amended and restated on April 24, 2018, available at <https://home.treasury.gov/system/files/261/The%20Council%26%23039%3Bs%20Bylaws.pdf>.

⁴ For example, Evaluation Report 2023-SR-B-009 June 14, 2023, Office of Inspector General, Board of Governors of the Federal Reserve System; Consumer Financial Protection Bureau.

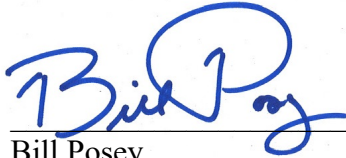
Sincerely,



Andy Barr
Member of Congress



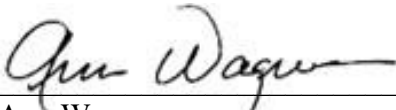
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Member of Congress



Bill Posey
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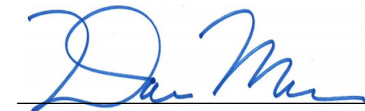
Bryan Steil
Member of Congress



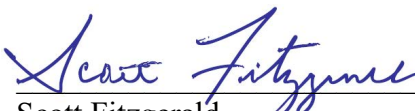
William Timmons
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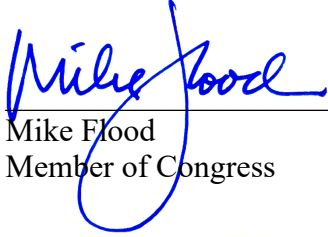
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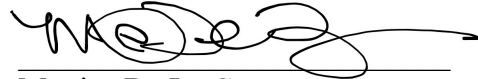
Mike Flood
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Michael V. Lawler
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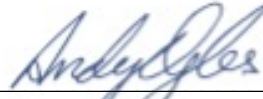
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