



MUTUAL ALERT

The Dance Continues: Trump Appoints Gould As Comptroller and McKernan As Head of CFPB

Last week we reported, what we described as a delicate dance as President Trump and his cabinet installed various interim appointees in the banking agencies and the CFPB. We noted that none of the appointments were permanent but most likely placeholders for more significant steps. We also pointed out the statutory conflict with four Republicans sitting on the FDIC Board which restricts the Board to three members of the same party.

The dance continues. Earlier today, FDIC Board member Jonathan McKernan announced the expiration of his term and departure from the FDIC Board. Fast on the heels of that news, the White House appointed Jonathan Gould, a Washington D.C. attorney, former OCC Chief Counsel, and First Deputy Comptroller, as the new Comptroller subject to Senate confirmation. In the interim, Rod Hood who was named First Deputy by Secretary Bessent last week, will continue to be Acting Comptroller. At the same time McKernan was named by the President as the head of the CFPB subject to Senate confirmation. He succeeds OMB Director Vought and Treasury Secretary Bessent who were appointed last week to the same position. With that appointment, he will resume his tenure on the Board of the FDIC by operation of law upon his Senate confirmation. Upon confirmation, together with Gould and Travis Hill, the three will complete the Republican members of the FDIC Board.

The Wall Street Journal reports tonight that all of these steps are part of an overall effort to consolidate bank regulatory functions which we have been predicting for some time. It remains to be seen what the final architecture of the bank regulatory structure will be. The Administration together with DOGE have engaged the key Republican members on the Hill who have signaled an openness to consolidation.

We continue to urge immediate involvement by mutual banks, particularly OCC regulated mutuals to influence an acceptable outcome for mutuals. As we expect credit unions to be part of the shift, mutuals should decide how they want to be regulated by charter type or by structure. Do mutuals have more to gain by being treated more like credit unions than stock banks? Mutuals should demand a seat at the table now before the final decisions are made. Whose dance card will you be on?

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