

# Randal Quarles, Trump's First Fed Nominee, Wins Senate Approval

Former Treasury Department official is expected to lead a deregulatory agenda



Randal Quarles testified before the Senate Banking Committee during his nomination hearing on Capitol Hill in July. Mr. Quarles will be the Fed's first vice chairman in charge of bank oversight. PHOTO: RON SACHS/ZUMA PRESS

*By Ryan Tracy*

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WASHINGTON—The Senate on Thursday approved Randal Quarles for a key banking oversight post on the Federal Reserve Board, marking President Donald Trump's first imprint on the central bank and his first full-time appointment of a banking regulator.

The vote to confirm Mr. Quarles to the Fed board was 65-32, with 14 Democrats supporting the nomination along with all Republicans and one independent. A former Treasury Department

official, investor and banking lawyer, Mr. Quarles is expected to oversee the Fed's work on a broad review of banking-sector rules.

He will be the Fed's first vice chairman in charge of bank oversight. The Senate separately approved that designation by a voice vote Thursday, approving him for a role created by the 2010 Dodd-Frank financial law that had never been filled.

Mr. Quarles, who will also sit on the Fed's monetary policy committee, has been [skeptical of the government's intervention](#) in financial markets and has criticized the Fed for unpredictable policy-making.

He said at a hearing in July that "with the benefit of experience and reflection, some refinements will undoubtedly be in order" to the regulatory regime adopted after the 2008 financial crisis. He specifically noted [big bank stress tests](#) as ripe for review.

He joins the central bank as officials already are reviewing some regulations, and in the vice chairman role he will have significant influence over that work.

Mr. Quarles won't be able to set the Fed's agenda on his own. For at least several months, he will have to work with Obama-era appointees, including Fed Chairwoman Janet Yellen, whose term as the top official at the central bank expires in February.

Ms. Yellen supported the 2010 Dodd-Frank financial-overhaul law and many rules adopted as a result of it. She has recently signaled openness to discussing regulatory rollbacks, though it isn't clear how far she would go.

She surprised many Dodd-Frank defenders when on Friday she joined Trump appointees in releasing [American International Group](#) Inc. from [federal oversight](#). In a speech Wednesday, she affirmed the Fed is "working hard to ensure that its regulation and supervision of banks are [tailored appropriately](#) to the size, complexity, and role different institutions play in the financial system."

Many banking rules require approval from multiple regulators. Mr. Trump's nominee to lead the Federal Deposit Insurance Corp. withdrew, and the White House has yet to name a replacement.

The administration this spring installed banking lawyer Keith Noreika as acting comptroller of the currency. Mr. Trump's nominee to take that job on a permanent basis, former banker Joseph Otting, hasn't received a vote in the Senate.

Many liberals opposed Mr. Quarles, citing his decades of work on Wall Street as a lawyer and investor. "The number one thing we need from a vice chair for supervision is independence from Wall Street, a demonstrated willingness to stand up to the wishes of the big banks," Sen. Elizabeth Warren (D., Mass.) said on the Senate floor opposing his nomination. "There is not a speck of independence in Mr. Quarles' track record."

Analysts had expected Mr. Trump's appointee for Fed vice chairman of supervision to be confirmed much earlier in the year. Mr. Quarles wasn't nominated until July, even though the vice chairman of supervision job was vacant when Mr. Trump took office in January.

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