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Vice Chair Brainard Resigns from Fed to Head Up NEC



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Federal Reserve Board (“FRB”) Vice Chair Lael Brainard submitted her [resignation](#) from the FRB earlier this week, effective on or about February 20. Vice Chair Brainard is resigning from the FRB to become President Biden’s Director of the National Economic Council (“NEC”).

Vice Chair Brainard’s portfolio at the FRB included being point person on the Community Reinvestment Act proposal, the FedNow real time payments network, financial stability initiatives, and, of course, as is the case with all Governors, monetary policy. Some of the work Vice Chair Brainard was spearheading might naturally fall to Vice Chair of Supervision Michael Barr, and some might naturally fall to Governor Michelle Bowman.

Vice Chair Brainard’s appointment as Director of the NEC does not require Senate confirmation. However, whoever President Biden nominates to replace Vice Chair Brainard will require Senate confirmation. If President Biden chooses to elevate a current member of the FRB, such as Lisa Cook or Philip Jefferson, to Vice Chair, the Senate would need to confirm that person to a four-year term as Vice Chair. If the President decides to elevate an existing member, or appoint someone new to the Vice Chair position, he will have a seat as a member of the FRB to fill as well. Names that have been included in that speculation as a new member include Federal Reserve Bank of San Francisco President Mary Daly and Austan Goolsbee, who recently became President of the Federal Reserve Bank of Chicago. A complication in a pick to be an FRB Governor is that [Section 10 of the Federal Reserve Act](#) requires that “not more than one of whom shall be selected from any one Federal Reserve district.”

We will continue to follow this important appointment story in the weeks to come.
