

United States Senate Committee on Finance

**Hearing to Consider the Nomination of the Honorable Michael Faulkender, of Maryland,
to be Deputy Secretary of the Treasury**

March 6, 2025

Questions for the Record for Michael Faulkender

Question for the Record submitted to Michael Faulkender from Senator Grassley.

Question 1

On February 2, 2024, Senators Warren, Warnock, and I wrote to the Director of the Treasury Department's Financial Crimes Enforcement Network (FinCEN) about the status of their implementation of the Anti-Money Laundering (AML) Whistleblower Program. In that letter, we highlighted that over three years had passed since the AML Whistleblower Program was enacted, but FinCEN had yet to establish regulations governing the program or even a public website dedicated to the whistleblower program with a portal for whistleblowers to submit tips and claims. On May 3, 2024, FinCEN responded that the agency is working towards issuing a Notice of Proposed Rulemaking to establish regulations governing the AML Whistleblower Program.

If confirmed, will you commit to ensuring FinCEN finalizes these regulations and fully implements the AML Whistleblower Program?

Answer: Yes, I commit to ensuring that FinCEN finalizes the whistleblower regulations and fully implements the whistleblower program. I share your view, Senator Grassley, that the whistleblower program provides vital support to U.S. law enforcement to enforce sanctions and anti-money laundering statutes that implicate our national security. If confirmed, I will make sure the whistleblower regulations are appropriately tailored to accomplish these important goals without creating unnecessary or substantial burdens.

Question for the Record submitted to Michael Faulkender from Senator Thom Tillis.

Question 1:

The IRS often takes a "guilty until proven innocent" approach with taxpayers. The prior Administration seemed to take this to extremes and used it to target certain individuals and businesses based on how they organized their business, particularly partnerships and other pass-throughs. The IRS ramped up audits and restructured itself to target these taxpayers based on their legal structure rather than on evidence of tax avoidance or non-compliance, the factors that would normally trigger a non-random select audit. Helping taxpayers file their taxes and comply with our complex tax code has shown to be the most cost-effective way to improve compliance and to collect what is owed.

Will you ensure that the IRS focuses on helping taxpayers comply with our complex tax code and end programs that target taxpayers or companies by how they organize rather than evidence of non-compliance?

Answer: Yes. I share your concerns about overly aggressive and poorly targeted audits that burden ordinary taxpayers and small businesses. If confirmed, I will work to make sure the

IRS is focused on collecting taxes owed in an efficient manner, as well as ensuring customer service and taxpayer privacy.

Questions for the Record submitted to Michael Faulkender from Senator Wyden.

Question 1: Mr. Musk's associates at DOGE have accessed systems containing confidential tax information at the Treasury and the IRS. Anyone who questions the legality of what they're doing is fired, placed on leave, or at best, resigns in protest. The Administration has not been transparent or accountable about what DOGE plans to do with this tax information. Last night in response to questions about DOGE's access to systems I sent over a month ago, the Trump Administration admitted that DOGE infiltrated the Treasury payment system to stop Congressionally-authorized USAID payments. This stomps all over Congress's Article One power of the purse. If a law passed by Congress and signed by the President directs money to be spent on something, I think the President is required to spend that money as provided by law. The President doesn't have the power to impound those funds.

Mr. Faulkender, Do you think the President has the power to impound funds?

Answer: The President and the Office of Management and Budget are responsible for making decisions related to impoundment. The Treasury Department is committed to ensuring that it complies with the law, including with respect to decisions related to impoundment.

In the same letter, I also asked Treasury whether Elon Musk had ever gained access to the Treasury payment system data. Treasury answered "to the best of our knowledge, no." **You shouldn't need to hedge that answer, what is it, yes, or no?**

Answer: As stated in the cited letter response, to the best of our knowledge, no.

Question 2: The IRS's criminal investigation division has about 2,300 field agents who are the best in the business at following the money to take down drug cartels, money launderers, cryptocurrency scams, and sanction evaders. The Administration has said that going after these criminals is a priority. Instead, it appears that highly trained accountants are being sent to stand by the border to deport families instead of doing complex financial investigations they are uniquely trained to do. **Do you believe that taking IRS criminal agents away from sophisticated investigations into cartels and fentanyl trafficking will harm national security or public safety?**

Answer: Since taking office, the Trump Administration has taken steps to curb cartel activity and the influx of lethal drugs into our country, including through the imposition of sanctions on international cartels. If confirmed, I look forward to directing efforts to disrupt this activity using all of Treasury's available tools.

Question 3: Over seven thousand IRS employees have already been fired. According to press reports, the administration is looking to close taxpayer assistance centers and cut the IRS workforce. **Do you believe that mass firings of IRS personnel around the country and the closure of taxpayer service centers won't wreak havoc on the agency's operations?**

Answer: Treasury is focused on modernizing the IRS to deliver better customer service to American taxpayers. The IRS cannot offer 21st century convenience, privacy, and accuracy on 1960s systems. As you know, President Trump has signed an executive order implementing a workforce optimization initiative. Because customer service is a key priority for the IRS, appropriate efforts have been made to ensure the current filing season remains unaffected. If

confirmed, I look forward to ensuring the IRS can offer world-class customer service for the American people.

Question 4: On Tuesday, March 4, 2025, news broke that the president asked the Treasury and State Departments to look at easing sanctions on Russia, including those that apply to oligarchs close to Putin. A few hours later, Trump slapped tariffs on imports from our top three trading partners, effectively raising taxes on Americans and jacking up the costs of things like groceries, gas, power and electronics all at once. **Do you believe the American people support a policy of increasing costs for American families while lowering them for Russian oligarchs?**

Answer: President Trump's first priority on trade is establishing balanced relationships in which US firms and workers are protected against unfair foreign trade practices and tariffs. President Trump's America First Trade Policy Memorandum has directed a comprehensive examination of America's trade relationships and policies, and, if confirmed, I look forward to reviewing the results of these studies in order to determine appropriate next steps.

Question 5: The tax gap is about \$696 billion per year -- \$7 trillion per decade. Every dollar of tax enforcement funding brings in about \$5-\$9 in revenue according to CBO. Anyone who cares about the deficit should want the IRS to collect taxes that are already owed from wealthy tax cheats who have armies of lawyers and accountants. **Do you agree that it makes sense for Congress to give the IRS the resources it needs to collect taxes from wealthy individuals, large complex partnerships, and massive corporations who are not paying what they owe?**

Answer: The IRS should use taxpayer funds provided by Congress to modernize its technology systems and improve its customer service operations. The IRS should enforce the tax code in an even-handed manner and should help taxpayers pay the taxes they owe.

Question 6: Millions of taxpayers use tax preparers each year to help prepare and file their taxes. However, the IRS has alerted taxpayers to be on the lookout for unscrupulous or incompetent tax preparers who encourage people to file inaccurate tax returns and, in some cases, steal valuable personal information and refunds. You have spoken out about fraud by preparers in the Employee Retention Tax Credit ("ERTC") program. Following litigation in 2014, the IRS lost its authority to establish minimum standards for preparers or even to revoke tax preparer identification numbers. Every subsequent administration has proposed to reinstate the IRS's authority in this area, including the last Trump administration. **Do you agree that it makes sense for the IRS to have the authority to establish minimum standards for preparers and revoke the tax preparer identification numbers of those who have demonstrated incompetence or engaged in misconduct?**

Answer: If confirmed, I commit to understanding this issue in greater detail and exploring with Congress and the IRS any potential changes needed to prevent taxpayers from being taken advantage of.

Along the same lines, some ERTC mills have been conning small businesses and telling them to go ahead and claim the credit even if their CPAs say they don't qualify. **Do you think someone who has been saying that is qualified to be the Commissioner of the IRS?**

Answer: I am not aware of the details regarding this specific question. However, it is important that taxpayers follow the law when filing their taxes.

Question 7: The U.S. has achieved a greater level of energy security than we've had in generations. Oil and gas production is at record highs, but it's not just that. The centerpiece of the

Inflation Reduction Act was the largest clean energy package in our history. It was technology neutral, taking an “all of the above” approach. It kicked off an investment boom -- largely in red states. Hundreds of thousands of jobs, big energy savings for consumers. China wants to dominate the clean energy sector. They’ll do whatever it takes to crush us. **Mr. Faulkender, if Republicans repeal the IRA incentives, will the U.S. produce more or less energy than expected?**

Answer: I support an all-of-the-above energy strategy that will benefit U.S. consumers, small businesses, and our economy. I do not believe we should put our thumb on the scale for any one particular source.

Question for the Record submitted to Michael Faulkender from Senator Maria Cantwell.

Question 1: During the hearing I expressed the frustration businesses, farmers, and consumers are feeling as a result of the haphazard way the President is handling his tariff policy. The level of chaos we are experiencing daily is inflicting real harm throughout the economy. In response to my question, you articulated that there are three objectives with tariffs, one, as a source of revenue to the federal government; second, to address long standing inequities in the way that other countries have provided subsidies, manipulated their currencies, or engaged in technology theft; and third, as a negotiating tactic in order to get other countries to address some of the concerns that the United States has by using access to U S consumers as an opportunity to obtain concessions.

Answer: President Trump’s trade agenda is based on ensuring balanced relationships in which U.S. firms and workers are protected against unfair foreign trade practices.

Question 2: Dr. Faulkender, can you please explain how tariffs can be a reliable source of revenue if they presumably are successful in garnering concessions from other countries? Unless we are to assume the tariffs fail as a negotiating tool, how can we also believe they would generate revenue?

Answer: Strategic use of tariffs can increase revenue in two ways: direct collections on imports and increased domestic production and economic growth. President Trump has called for a detailed examination of our trading relationships to highlight any trade practices or trade agreements which are harming U.S. workers and companies, the results of which will further inform our utilization of tariffs. The Administration will take every appropriate and lawful action to address violations or abuses of trade law, and, if confirmed, I look forward to reviewing the conclusions generated by this review.

Question 3: Similarly, can you please explain how the threat of tariffs are preferable to bilateral negotiations if the goal is fair trade and to open markets for U.S. goods and services?

Answer: Both tariffs and bilateral negotiations have their respective places in President Trump’s trade strategy, and the Administration is identifying bad actors across a range of criteria, in order to establish comprehensive metrics on which our global trading partners should be scored. If confirmed, I look forward to reviewing these metrics.

Questions for the Record submitted to Michael Faulkender from Senator Whitehouse.

With the support of the first Trump administration, Congress enacted the Corporate Transparency Act (“CTA”), part of the Anti-Money Laundering Act of 2020, as a piece of the National Defense Authorization Act for Fiscal Year 2021. The CTA tasked Treasury’s Financial Crimes Enforcement Network (“FinCEN”) with creating a confidential, national directory of beneficial owners of companies formed or registered to do business within the United States, bolstering our nation’s efforts to combat “money laundering, the financing of terrorism, proliferation finance, tax evasion, human and drug trafficking, sanctions evasion, and other financial crimes.”

Question 1

On March 2, 2025, Treasury issued a statement noting it will no longer enforce the CTA with regards to U.S. companies and U.S. citizens and intends to issue a new proposed rule to apply the CTA exclusively to foreign entities that register to do business in the U.S. The announcement came roughly 24 hours after DOGE chief Elon Musk promised on his social media website X (formerly Twitter) to “look into” beneficial ownership reporting requirements, and sources suggest that Treasury was not planning to go in this direction until Musk's Saturday tweet and that Musk pushed Treasury to change course.

- a. Please provide all documents Treasury has related to Elon Musk’s role in Treasury’s decision to abandon enforcement of the Corporate Transparency Act.

Answer: I am not aware of documents that are responsive to this request.

Question 2

Drug cartels infamously form anonymous shell companies in the United States to covertly finance their operations and launder their ill-gotten-gains. For example, a 2023 indictment said that cartel operatives designed a network of anonymous companies in Wyoming to launder millions of dollars for the Sinaloa cartel; and, in another case, narco-traffickers in New Jersey were charged with using a front company to buy fentanyl-related substances from China, which they pressed into counterfeit pills.

Over 100,000 Americans died of overdose in 2023, per the CDC—the most recent year for which full data is available. 404 Rhode Islanders died that year.

- a. Do you believe it makes sense to allow drug cartels to anonymously form corporations and limited liability companies in the United States to launder the profits from the opioid epidemic?

Answer: Since taking office, the Trump Administration has taken steps to curb cartel activity and the influx of lethal drugs into our country, including through the imposition of sanctions on international cartels. If confirmed, I look forward to directing efforts to disrupt this activity using all of Treasury’s available tools.

Question 3

“The Iranian regime has long used front and shell companies to exploit financial systems around the world to generate revenues and transfer funds in support of malign conduct, which includes support to terrorist groups, ballistic missile development, human rights abuses, support to the Syrian regime, and other destabilizing actions targeted by U.S. sanctions.” In one example, the Iranian regime used an anonymous New York company to obscure its ownership of a \$500

million Manhattan skyscraper in violation of U.S. sanctions. Millions of dollars in rent were illegally funneled to Iran, unbeknownst to stores that rented space in the building.

- a. Do you believe it makes sense to allow foreign adversaries like Iran to anonymously open corporations and limited liability companies in the United States to finance their proxies and illegal nuclear weapons programs with impunity?

Answer: On February 4, 2025, the Administration issued NSPM-2, entitled “Imposing Maximum Pressure on the Government of the Islamic Republic of Iran, Denying Iran All Paths to a Nuclear Weapon, and Countering Iran’s Malign Influence.” If confirmed, I look forward to working with Congress to use all tools at our disposal to stymie Iran’s access to financial markets for its malign activities.

Question 4

The CTA creates a process by which the Secretary of the Treasury may exclude “an entity or a class of entities” from beneficial ownership information (“BOI”) reporting requirements so long as four conditions are met. First, the exclusion must take place through the regulatory process. Second, the exclusion must be with “the written concurrence of the Attorney General and the Secretary of Homeland Security” to account for law enforcement and national security interests. Third, the Secretary of the Treasury must determine that BOI reports of these entities “would not serve the public interest.” Fourth, the Secretary of the Treasury must determine that such reports “would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.”

- a. Please provide the legal basis for the Treasury Department’s policy decision to categorically suspend enforcement of the CTA’s reporting requirements for all U.S. citizens and domestic reporting companies.
- b. How do you intend to satisfy the policy goals of the CTA?
- c. Has the Treasury Department followed or initiated the process required by the CTA to exclude an entity or class of entities from its reporting requirements?
- d. What steps has Treasury taken to ensure that any change in the practice or rulemaking governing BOI reporting fulfills the law enforcement and national security purposes of the CTA?
- e. What steps should Treasury take to prevent terrorist and criminal misuse of American corporate structures, and to provide appropriate transparency to law enforcement and national security officials regarding such activity?

Answer: On March 2, 2025, Treasury announced that, with respect to the Corporate Transparency Act (CTA), it will not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines. The President also remarked on Treasury’s announcement in a post on Truth Social, noting, “Furthermore, Treasury is now finalizing an emergency regulation to formally suspend [the beneficial ownership information reporting rule] for American businesses.”

Regarding the process required by the CTA to exclude an entity or class of entities from its reporting requirements, Treasury will be issuing a rulemaking that will narrow the scope of the rule. Treasury takes this step in the interest of supporting hard-working American

taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest.

FinCEN will consider comments to the forthcoming rulemaking with the objective of minimizing burdens on small businesses while ensuring that beneficial ownership information collected is highly useful to important national security, intelligence, and law enforcement activities.

Question for the Record submitted to Michael Faulkender from Senator Hassan.

Question 1: The Inflation Reduction Act has helped spur hundreds of billions of dollars in renewable energy projects that will lower energy costs and increase energy production. Will you work to preserve these tax policies that reduce costs and promote energy independence?

Answer: I believe that Americans will be best served with an all-of-the-above energy strategy that does not attempt to pick winners and losers. If confirmed, I will work to ensure we reduce costs and promote American energy dominance.

Questions for the Record submitted to Michael Faulkender from Senator Cortez Masto.

Question 1: Uncertainty about the direction of government policy can be a major drag on economic growth, something you acknowledged in 2020. The U.S. policy uncertainty index has recently skyrocketed to the highest levels since the peak of the COVID-19 pandemic. Do you have concerns about that and do you have a view on what might be causing increasing uncertainty?

Answer: The President's policies of energy dominance, deregulation, reducing federal spending, extending tax reform, rebalancing trade relationships, and refocusing bank supervision to safety and soundness will generate the economic conditions that will allow the American people to see gains in real wages, reductions in poverty, and higher standards of living, like we saw in the 2017 to 2019 timeframe.

Question 2: During your previous service at the Department of the Treasury, you engaged with the Treasury Tribal Advisory Committee (TTAC) and I know you have spoke about the Treasury's respect for the government-to-government relationship with tribes. The Administration has been dissolving a number of advisory committees in recent weeks and I am concerned about the future of TTAC. Will you continue to support TTAC if confirmed?

Answer: My understanding is that TTAC is required by statute and has served as an important conduit for Treasury to engage with tribal governments on a variety of issues. I support its continuation.

Question 3: In an article you wrote last year analyzing the *Tax Relief for American Families and Workers Act*, you wrote that sunseting the Employee Retention Tax Credit (ERTC) early was an "excellent inclusion" because of "rampant cases of ineligible businesses fraudulently claiming the credit." Would you hire someone to work at Treasury if they had fraudulently submitted ERTC claims in exchange for a fee?

Answer: It is important that taxpayers follow the law when filing their taxes.

Question 4: Do you think the U.S. income tax revenue can be replaced with tariff revenue, and if so, would you recommend the Administration pursue this goal?

Answer: President Trump has been clear that tariffs will allow us to protect industries and workers from foreign countries' unfair trade practices, improve our negotiations with foreign countries, and provide important revenues to the federal government.

Question 5: Will you commit to opposing any political interference in U.S. government economic statistics compiled by the Bureau of Labor Statistics or other similar agencies?

Answer: Treasury plays no role in overseeing the Bureau of Labor Statistics.

Questions for the Record submitted to Michael Faulkender from Senator Elizabeth Warren.

Question 1: What specific deregulatory policies do you intend to implement and promote if you are confirmed as Treasury Deputy Secretary?

Answer: During the first Trump Administration, Treasury and the financial regulators worked to reduce unnecessary regulations and create more favorable conditions for economic growth, capital formation, employment, and higher wages, while maintaining important regulatory safeguards. Properly calibrated regulation is essential to addressing market failures and establishing clear rules that private actors can rely on to allocate capital, innovate, and drive progress. If confirmed, I will work to evaluate where to modify elements of the Biden Administration's regulatory expansion that have suppressed economic growth.

Question 2: Though he prioritized financial deregulation and tax cuts, then-President Trump did not succeed in achieving the three percent annual economic growth he promised during his first administration. In your view, what explains the failure of the first Trump Administration's tax and deregulatory policies to spur three percent growth? How did your actions as Assistant Secretary contribute to President Trump's failure?

Answer: GDP growth is a function of a number of factors including productivity and labor force growth. The U.S. economy realized three percent or better real economic growth in the last quarter of 2017, most of 2018, and in the last quarter of 2019 (each measured relative to GDP in the same quarter one year earlier) as a result of the policies implemented during the first Trump Administration. President Trump's policies raised the standard of living for millions of Americans, and from March 2017 through January 2021 annual wage growth for workers exceeded inflation for 46 of 47 months. President Trump's policies are designed to enhance the standard of living for Americans and if confirmed, I will work to support this goal.

Question 3: The Fed identified the *Economic Growth, Regulatory Relief, and Consumer Protection Act* and the Fed Reserve (Fed)'s subsequent deregulation as a key contributor to the March 2023 bank crisis. Do you agree with this analysis? How would you ensure that any additional deregulation would not increase the likelihood of another banking collapse?

Answer: The post-Silicon Valley Bank report was a product of the Federal Reserve's Vice Chair of Supervision and was not adopted by the entire Board of Governors. The Vice Chair for Supervision's report did highlight supervisory failures which, in my view, played a significant role in the failure of Silicon Valley Bank. We need to ensure the regulatory system is properly tailored and focused on material financial risks to enhance the breadth of our banking system, including our vibrant community banks.

Question 4: If confirmed, will you commit to respecting Congressional directives and fully enforcing the *Dodd-Frank Wall Street Reform and Consumer Act* (Dodd-Frank)?

Answer: I commit to following the law.

Question 5: The Congressional Budget Office (CBO) has estimated that the *Tax Cut and Jobs Act* (TCJA) cost approximately \$2 trillion. Setting aside an anomalous period during COVID with significant government stimulus, actual revenues have largely matched CBO's projections of the TCJA's cost when adjusted for inflation. Do you agree that extending tax cuts reduces federal tax revenues?

- a. Do you believe that the CBO and Joint Committee on Taxation (JCT) should use dynamic scoring? If so, what growth assumptions do you think are realistic in dynamic scoring and why?
- b. Do you support CBO and JCT scoring extensions of expiring tax cuts on a current law baseline, especially if their original passage was scored on a current law baseline?
 - i. If a law costs \$1 billion per year, and the law applies for 10 years, how much does it cost in total over those 10 years?
 - ii. Does the answer change if Congress achieves this result by passing two bills instead of one?

CBO recently found that letting the TCJA tax cuts expire would actually grow the economy. Could you explain what, if anything, you think CBO is getting wrong?

Answer: The economy is dynamic and changes in policy result in dynamic responses. Evaluation of policies should take into account the realities of the economy. Given the United States faces the largest tax increase in American history at the end of this year if the TCJA is not extended, it will be up to Congress to decide the appropriate baseline, but it is my view that Congress should take a comprehensive view of the economic impact of extending TCJA. I do not believe American families or financial markets would view the \$4 trillion tax increase that expiration of the TCJA would produce as anything but a \$4 trillion tax increase. Regarding CBO's recent finding, CBO does find the direct effects of an expiration of TCJA would reduce GDP over the next 10 years due to reduced employment and the reduced purchasing power of families causing a fall in private investment. Even after incorporating indirect effects, CBO found GDP would decline for the first seven years following an expiration of the TCJA. It is worth recalling that CBO underestimated the strong growth effects and tax receipts after enactment of the TCJA in 2017. I am confident that an extension of the TCJA will be good for American workers, American families, and the U.S. economy.

Question 6: Will you oppose any tax cut plan that, according to official scoring by CBO or JCT, increases the deficit over a ten-year period?

Answer: No.

Question 7: Secretary Bessent has stated that he plans to cut the deficit by three percent of GDP. If the TCJA tax cuts are extended, how much would the federal government have to cut spending in order to achieve his deficit goal? What programs would you recommend cutting and by how much?

Answer: The economy is a dynamic system. We need to both create economic growth and demonstrate some spending restraint to reduce the deficit to 3% of GDP by the end of

President Trump's term. With respect to specific spending reductions, the formulation of the President's budget is the primary responsibility of the Office of Management and Budget, but if confirmed, I look forward to contributing to that process and the broader effort to identify opportunities to reduce unnecessary spending.

Question 8: Would you support efforts to raise revenue or cut spending to offset the cost of Republicans' planned tax cuts for the wealthy by:

- a. Reducing Medicare, Medicaid, or Social Security benefits? If so, by how much?
- b. Repealing investments in clean energy previously enacted under the Biden Administration?
- c. Closing the carried interest loophole to ensure that wealthy private equity and hedge fund managers pay their fair share, potentially raising \$63.1 billion in revenue over ten years according to the JCT?
- d. Raising tariffs? If so, please explain your plan.
- e. Implementing the global minimum tax agreement and ending tax breaks for multinational corporations when they offshore jobs and profits?

Answer: President Trump does not support reducing Medicare or Social Security benefits. President Trump has expressed concerns about Biden-era climate programs, including those that benefit Chinese companies and do not support American energy dominance. American energy dominance is fundamental to improving the standard of living for Americans, including by driving down the price of energy. With respect to tax policy, President Trump spoke powerfully on the campaign trail about the need to deliver tax reform that improves the quality of life for working Americans and supports American families. Job one is extending the key provisions of the TCJA to avert a massive tax increase on American families and small businesses. The corporate tax reform provisions of TCJA, which are generally permanent law, made important changes to make U.S. businesses more globally competitive – changes that continue to benefit American workers – and I do not believe we should reverse that progress. With respect to tariffs, President Trump's trade policy is focused on the idea of reciprocity and fair trading relationships, with the goal of reshoring domestic industries. His approach can increase tariff revenues through direct collections and also will increase corporate tax revenue by bringing about increases in domestic production that grow the economy.

Question 9: President Trump has promised to cut electricity prices in half. Research shows that the repeal of renewable energy credits would increase energy costs. Do you agree that slowing energy deployment during a period of anticipated load growth will likely increase energy prices?

Answer: This Administration is committed to ensuring that an abundant supply of affordable and reliable energy is readily accessible across the country, which will put downward pressure on prices. To do so, we will pursue policies that encourage energy exploration and production utilizing domestic energy resources including oil, natural gas, coal, hydropower, biofuels, critical minerals, and nuclear energy. We will also pursue policies to promote consumer choice and eliminate mandates.

Question 10: In September 2024, the Treasury Department released its proposed rules for the Corporate Alternative Minimum Tax (CAMT). The tax is estimated to generate more than \$250 billion from about 100 of the most profitable companies over 10 years. Will you commit to finalizing, implementing, and enforcing the CAMT regulations quickly, without providing new tax breaks for corporations?

Answer: I am aware that the Inflation Reduction Act created the CAMT, which imposes a 15% minimum tax on the adjusted financial statement income (AFSI) of large corporations, but I am not specifically familiar with the details of the recent Treasury proposed rule intended to implement this provision. If confirmed, I expect to undertake an appropriate review of all significant pending regulatory actions at the Treasury Department, as is customary at the start of a new administration. I commit to following the law, including in the review of proposed regulations.

Question 11: In June 2024, the Treasury Department issued guidance targeting how partnerships attain inappropriate tax benefits by artificially inflating the basis of their underlying assets through basis-shifting transactions. Do you commit to following through on the Treasury partnership-basis-shifting rulemaking project?

Answer: I am not familiar with the specific details of the June 2024 guidance or the recent final regulations from January 2025. If confirmed, I expect to undertake an appropriate review of significant pending projects at the Treasury Department, as is customary at the start of a new administration. I commit to following the law.

Question 12: Following a lobbying blitz led by big corporations after the enactment of the TCJA, the Treasury Department used its regulatory power to carve out exceptions and giveaways for the rich. What is your plan to ensure that the previous regulatory giveaway is not repeated? Will you work to reverse previous rulemaking that led to exceptions and giveaways for the rich?

Answer: If confirmed, I am committed to implementing our nation's tax laws consistent with law and in accordance with the notice and comment procedures established by the Administrative Procedure Act.

Question 13: The Standard Industry Fare Level (SIFL) valuation method allows executives who report the personal use of corporate jets to significantly downplay the value of the flights on their tax returns, resulting in a reduction of their tax bill. If confirmed, would you exercise Treasury's authority to revisit these income inclusion regulations to more accurately reflect the benefit that executives receive?

Answer: I am not familiar with the SIFL issue specifically, but I understand that the use of proper valuation methods is important to ensuring the law is being applied appropriately. I will commit to following the law, including reviewing and promulgating proposed regulations.

Question 14: President Trump previously claimed he had nothing to do with Project 2025. However, his decision to tap its authors for key roles in his Administration has raised questions about Project 2025's alignment with Trump's overall agenda. Do you support the following tax reform plans listed in Project 2025?:

- a. Cutting the corporate tax rate to 18 percent (amounting to a \$24 billion tax cut for the Fortune 100 companies)?
- b. Cutting the corporate tax rate to 15 percent, as has been floated by President Trump (amounting to a \$48 billion tax cut for the Fortune 100 companies)?
- c. Taxing capital gains and qualified dividends at 15 percent, as well as eliminating the net investment income tax received by households making more than \$200,000? These combined changes to the tax brackets would effectively deliver a tax cut of \$2.4 million to households making more than \$10 million annually.

- d. Enacting a two-income tax bracket system that would increase taxes by \$3,000 for a typical family of four, and raise taxes by \$950 for the typical single-person household?
- e. Replacing income and corporate taxes with a flat consumption tax? This would result in a \$5,900 average tax increase for 20 percent of households and a \$2 million tax cut for the top 0.1 percent.

Answer: If confirmed, my top tax policy priority will be working with Congress to avert the largest tax increase in American history by extending the Tax Cuts and Jobs Act and following through on the other specific tax proposals one which President Trump campaigned. President Trump is committed to raising standards of living for all Americans by decreasing their tax obligations and increasing economic growth and wages.

Question 15: Do you support the Department of Government Efficiency (DOGE)'s efforts at the Internal Revenue Service (IRS) to date, including DOGE's mass firings and access to Americans' sensitive data?

Answer: I support the governmentwide and Presidential policy direction to implement the Executive Order Establishing and Implementing the President's "Department of Government Efficiency" which was created to modernize Federal technology and software to maximize governmental efficiency and productivity.

Question 16: Have you been in touch with any of the DOGE team members who are tasked with working with the IRS? If yes, please list each conversation you have had and the substance of each conversation.

Answer: I have been introduced to them and had general introductory conversations about modernizing IRS technology.

Question 17: Do you plan to allow DOGE team members access to tax returns, or tax return information at the IRS that is protected by Sections 6103 and 7213A of the tax code?

- a. If you plan to allow access to this heavily-protected information, please describe the type of return information that the DOGE team members may access and the specific reason why each DOGE team member was or will be granted the authority to inspect tax return information.
- b. Please also describe what steps you will take to ensure compliance with Sections 6103 and 7213A of the tax code.

Answer: The protection of tax returns and tax return information is essential to maintaining taxpayers' confidence in the IRS and the tax system more generally. I am absolutely committed to upholding taxpayer privacy rights. There have been serious violations of taxpayer privacy in recent years, including the theft and leak of protected taxpayer information by an IRS contractor. If confirmed, I will ensure that any access is in compliance with the statutory protections found in the tax code.

Question 18: The Trump administration has fired nearly 7,000 IRS employees, including customer-service workers and tax dispute specialists who assist taxpayers during the tax season.

- a. Do you believe that it was wise of the President to fire taxpayer-facing jobs in the middle of the tax filing season?

- b. Do you support additional reductions in force at the IRS?
- c. How do you plan to ensure that customer service is not interrupted for the hundreds of millions of Americans who file their taxes?

Answer: I am absolutely committed to ensuring that tax filing season runs smoothly for taxpayers. If confirmed, I will work diligently to ensure that the IRS provides quality customer service while also modernizing and improving the efficiency of its operations.

Question 19: If asked by the President, or someone on his behalf, to instruct the IRS to audit a particular individual or organization, would you do so?

- a. Do you pledge to do everything in your power to ensure that the IRS faithfully implements the law, without political interference? If not, why not?
- b. Do you pledge to do everything in your power to ensure that taxpayer privacy is protected to the maximum extent possible, and that any violations of law regarding such protections are immediately reported to the full Senate Finance Committee? If not, why not?

Answer: The professionalism and non-partisanship of the IRS is essential to maintaining taxpayers' confidence in the IRS and the federal government more generally. If confirmed, I will support the fair and impartial implementation of our nation's tax laws, including the important safeguards against improper interference with taxpayer audits and investigations under 26 U.S.C. § 7217.

I am also absolutely committed to upholding taxpayer privacy rights. There have been serious violations of taxpayer privacy in recent years, including the theft and leak of protected taxpayer information by an IRS contractor. If confirmed, I will investigate the cause of past leaks, work to correct any existing vulnerabilities, and report to Congress the occurrence of any future leaks.

Question 20: Between 2010 and 2021, the IRS's budget was cut \$2.7 billion in real terms and staffing fell 22 percent, while the number of tax filers has increased by 14 percent. Do you support the efforts to rescind another \$20 billion from the IRS budget, as Republican members of Congress have attempted in the FY25 Appropriations bill? Do you support further cuts to the IRS budget?

- a. If yes to either, what are your plans to ensure that the number and quality of audits of wealthy individuals do not decrease; a backlog does not occur; phones continue to be answered; and the IRS does not rely on audits of low-income taxpayers in order to generate revenue?

Answer: Increases in the IRS budget in recent years have focused on increasing enforcement personnel rather than on a badly needed information technology systems upgrade that is necessary to improve taxpayer service. If confirmed, I will review ongoing programs at the IRS, including those related to increased funding in recent years, and prioritize technology modernization to deliver better taxpayer service and ensure that taxes legally owed are paid.

Question 21: For each dollar spent by the IRS targeted at tax compliance for large companies, how many dollars do you believe the IRS recovers?

Answer: My understanding is that the return on IRS compliance and enforcement resources varies based on a wide variety of factors, and if confirmed, I look forward to a briefing from

the IRS on efforts to ensure that those resources are being deployed in the most fair, efficient, and effective manner.

Question 22: Tax preparation companies have egregiously - and illegally - misused sensitive and private taxpayer data, sharing it with big tech companies without obtaining permission.

- a. Would you recommend that the Department of Justice (DOJ) prosecute tax preparation companies that have disclosed tax preparation data for unrelated purposes, such as advertising, without consumer consent?

Answer: I am not familiar with the allegations described here and would certainly not pre-judge any such matter. Criminal prosecutions are the responsibility of the Department of Justice, and if confirmed, I would cooperate with the Department of Justice and other law enforcement agencies as appropriate.

Question 23: As of October 3, 2024, more than 140,000 taxpayers across 12 states successfully filed their taxes using Direct File, and this tax filing season, more than 30 million taxpayers across 25 states are eligible to use Direct File.

- a. Do you believe that low- and middle-income Americans with relatively simple finances should have access to simple, free, tax preparation options?
- b. Do you agree with the Government Accountability Office's (GAO) report finding that the Direct File pilot was successful and should be expanded?
- c. Do you support Secretary Bessent's commitment that Direct File will be operative this tax filing season?
- d. If confirmed, how would you direct Treasury and IRS to support Direct File this tax filing season, including through outreach efforts for taxpayer use?

Answer: As noted during the hearing, I commit that for this tax season, Direct File will be operative to prevent any disruptions for taxpayers. And if confirmed, I will consult and study the program and understand it better, and evaluate whether it works to serve the best interests of taxpayers.

Question 24: Please indicate whether you support continuing the efficiency and modernization efforts that the IRS is currently pursuing as described in the IRS Strategy Plan for FY2022-2026:

- a. Expand and promote digital services, including online accounts, and digital filing capabilities, to improve taxpayer self-service? (Strategy 1.1.1)
- b. Reduce the taxpayer burden by decreasing the time between filing and compliance issue resolution? (Strategy 2.1.1)
- c. Collaborate with stakeholders and expand our community presence to support the unique needs of underserved communities? (Strategy 1.2.1)
- d. Provide taxpayers with limited English proficiency and/or disabilities meaningful access to the tools, knowledge and resources necessary to fulfill their tax obligations? (Strategy 1.2.2)
- e. Expand strategic hiring efforts and utilize workforce planning to manage current and future workforce needs? (Strategy 3.1.1)
- f. Use and develop technology that helps reduce wait times on IRS phone lines?
- g. Convert paper-based information into a digital format and increase access to digital data? (Strategy 4.3.2)

Answer: I strongly support efficiency and modernization efforts at the IRS. If confirmed, I look forward to working with this Committee to upgrade IRS systems and technology in order to provide better service for taxpayers. I also intend to undertake a review of ongoing modernization efforts, including the efforts described above.

Question 25: Will you advocate for preserving the Inflation Reduction Act (IRA)'s provisions and IRS rules that promote domestic clean energy manufacturing, domestic supply chains, jobs with good pay, and American energy security?

Answer: President Trump is committed to an energy dominance agenda that supports U.S. national security and reduces costs for American families. If confirmed, I would advocate for policies that support these goals.

Question 26: What are the goals of the tariffs that President Trump has imposed (and revoked) on China, Canada, and Mexico:

- a. Raising revenue? If so, please confirm which tariffs will be permanent and how much revenue you expect them to raise.
 - a. Will these tariffs be used to pay extensions of the Trump tax cuts?
 - i. If you plan to use tariffs to pay for permanent tax cuts, does that mean you do not plan to onshore production of those products?
- b. Negotiating leverage for new trade agreements? If so, please state your specific negotiating objectives.
- c. What is the purpose of – within days of imposing tariffs – exempting entire industries and then rescinding entirely?
- d. Do you support the President's mercurial approach to tariffs thus far?
- e. Do you agree that we need to provide businesses with certainty regarding tariffs?
- f. Do you agree the Trump Administration's approach to tariffs has provided that certainty?
- g. Other objectives? If so, please describe.

Answer: The goal of tariffs, like many other economic policy tools, is to improve and protect living standards for American families, including by supporting U.S. industrial capacity and national security interests. Tariffs may contribute to raising federal government revenue to fund investments that benefit American workers. Tariffs could also be used to pursue any specific trade negotiation objectives, which would be set forth by President Trump. During the first six weeks of the Trump Administration, the President has already shown that tariffs are an effective tool when negotiating with foreign countries.

Question 27: Do you support establishing an exclusion process to exempt certain importers or imported products from the tariff that President Trump has announced?

- a. If so, what are the criteria and processes for obtaining exclusions, and how will you prevent the rampant corruption that occurred in the exclusion process during the first Trump Administration?
- b. Will you commit to putting in place a transparent and objective process that protects America's small businesses and workers?
- c. Will you ensure that you avoid any conflicts of interest related to tariffs and tariff exemptions?
- d. On March 5th – just one day after Trump's tariffs on Canada and Mexico went into effect – President Trump announced a delay of tariffs on cars, at the request of the "Big 3"

automakers. The next day, President Trump issued an executive order pausing tariffs on goods that comply with the USMCA. The Administration provided no insight into its process for determining which tariffs to pause. Do you support the lack of process?

Answer: The implementation of the tariff exclusion process is primarily overseen by the Office of the United States Trade Representative and the Department of Commerce. If confirmed, I look forward to working collaboratively with these agencies to help ensure that American businesses, entrepreneurs, and consumers benefit from transparency, objectivity, predictability, and fairness in the implementation of tariffs and exclusions. This would include collaborating in any effort to establish criteria and processes to advance these ends. If confirmed, I will also remain fully committed to adhering to legal and ethical standards required of the Treasury Deputy Secretary to avoid any real or perceived conflicts of interest.

Question 28: Are you concerned that the haphazard way that President Trump has announced, imposed, and revoked tariffs is creating economic uncertainty and driving up prices for American families?

- a. How do you plan to prevent a trade war given the Administration's current trajectory?
- b. Do you have a plan to prevent corporations from passing the cost of tariffs onto consumers?

Answer: President Trump's first priority on trade is establishing balanced relationships in which US firms and workers are protected against unfair foreign trade practices and tariffs. Both tariffs and negotiations alike play key roles in President Trump's America First Trade Policy. As Secretary Bessent has stated, to the extent that another country's practices harm our own economy and people, the United States will respond. Further, President Trump's America First Trade Policy Memorandum has directed comprehensive examination of America's trade relationships and policies, and, if confirmed, I look forward to reviewing the results of these studies in order to determine appropriate next steps.

Question 29: The *de minimis* trade provision exempts goods valued below \$800 from U.S. duties and taxes. Over the last decade, there has been an exponential increase in the number of shipments claiming the exemption, making it challenging to enforce health requirements and trade laws and prevent drug traffickers from smuggling fentanyl into the U.S. The Trump Administration's initial announcement of new tariffs on China beginning February 4, 2025 included repealing the *de minimis* exemption for packages originating in China, but just days later, the Administration reversed course on this decision, pausing the *de minimis* repeal and directing the Commerce Secretary to study the issue. The *de minimis* exception remains in place for tariffs on Mexican and Canadian goods.

- a. How will the *de minimis* trade provision and the delay in repealing it for Chinese imports impact the efficacy of the President's tariff plans?
- b. President Trump claims that he is imposing tariffs on Canada and Mexico to prevent fentanyl from entering the country, but significant amounts of fentanyl enter the country under the *de minimis* exemption. How are these tariffs preventing the flow of fentanyl?
- c. Since the Treasury Department and Department of Homeland Security have authority to eliminate the exemption for specific categories as deemed necessary to protect revenue or prevent illegal imports, would you support eliminating the *de minimis* loophole for e-commerce shipments?

Answer: If confirmed, I would work closely with the Department of Homeland Security to examine the de minimis exemption and assess whether and how modifications could advance President Trump's trade policy agenda. Any potential policymaking in this area would take into account potential effects on revenue collection and how to most effectively prevent illegal imports. Ultimately, the goal of any policymaking in this area would be to advance the interests of American workers, businesses, and consumers, including by addressing vulnerabilities in the current trade policy framework.

Question 30: What will you do as Treasury Deputy Secretary to prevent companies from using tariffs as an excuse to hike prices on consumers?

Answer: An economy set free with deregulation and lower taxes is the strongest safeguard against price increases and the most effective driver of increased productivity, lower consumer prices, and greater prosperity for American families. During President Trump's first term, his economic and national security policies—including significant tariff policy changes combined with lower taxes and deregulation—resulted in the fastest real wage growth in decades without any harmful increase in inflation. If confirmed, I will collaborate across the Administration to advance policies that promote innovation and fair competition, particularly in regards to China, and affordability for American families.

Question 31: What lessons did you learn from your experience overseeing the Paycheck Protection Program (PPP)?

Answer: I learned the importance of working collaboratively across the Administration and the need to update our outdated technology.

Question 32: If given the opportunity to administer PPP once again, how would you have administered PPP differently, if at all?

Answer: During the implementation of PPP, I sought to implement the program according to the text of the law.

Question 33: Were you involved in President Trump's decisions to close out 2.7 million flags in PPP loans? If so, please describe your involvement.

Answer: The Small Business Administration led the operational implementation of PPP. It is my understanding that loan flags arose because automation caught a potential error. They were then subjected to further scrutiny that often caused the flag to be removed. I was not involved in the individual evaluation of these flags.

Question 34: Do you believe it was appropriate of the Trump Administration to close out 2.7 million PPP flags?

Answer: I support flags being eliminated when due diligence demonstrated that the loan complied with the law and the rules of the program.

Question 35: Do you support clawing back tax expenditures and loopholes for the wealthy, as outlined in my January 23, 2025 letter to Mr. Elon Musk about areas in the federal tax code where DOGE can cut waste and abuse?

Answer: If the Tax Cuts and Jobs Act expires, working families and small businesses will be hit with the biggest tax hike in history. I am focused on protecting working families from a crushing \$4 trillion tax increase. That is why we must make permanent the Tax Cuts and Jobs

Act and implement new pro-growth policies to reduce the tax burden on American manufacturers, workers, and seniors.

Question 36: Do you support fully funding the IRS, as outlined in my January 23, 2025 letter?

Answer: The IRS cannot offer world class customer service and privacy protections while using IT infrastructure that is 60 years old. If confirmed, I will ensure that Treasury is focused on modernizing IRS information technology systems to deliver better collections, enhance privacy, and improve customer service. I support IRS funding that is tailored to help achieve those goals.

Question 37: Do you support ending tax breaks and loopholes for offshore jobs, as outlined in my January 23, 2025 letter to Mr. Elon Musk about areas in the federal tax code where DOGE can cut waste and abuse?

Answer: I support efforts to ensure that the Tax Cuts and Jobs Act does not expire, so that working families and small businesses are not hit with more than \$4 trillion in additional taxes I also support the structure of the Tax Cuts and Jobs Act, which has resulted in corporate revenues climbing to record highs, while maintaining a competitive system that put a complete stop to companies inverting to foreign countries.

Question 38: Do you support Secretary Bessent pushing out Mr. Lebryk as head of Treasury's Bureau of Fiscal Service (BFS)?

Answer: It is my understanding that Mr. Lebryk chose to retire.

Question 39: Do you support DOGE's access to BFS systems? Do you have any concerns with the process in which DOGE was granted access to the BFS system?

Answer: Expanding on efforts that began under the prior Administration, Treasury has been undergoing a review of these systems to maximize payment integrity for agencies and the public.

Question 40: If confirmed, how would you protect the sensitive personal information of hundreds of millions of Americans contained by the Treasury Department from unauthorized access, including by members of DOGE?

Answer: Access to taxpayer data, return information, PII, or other sensitive information, would only be granted in accordance with applicable statutes and rules governing such access by employees, including for purposes required by statute, such as the need to access such information or data system for the performance of duties. Moreover, Treasury is committed to complying with all relevant legal requirements, including relevant court orders.

Question 41: What safeguards are in place to ensure access to BFS systems are not abused?

- a. What safeguards are in place to protect Americans' personal and private data?
- b. What safeguards are in place to protect national security?
- c. What safeguards are in place to protect the integrity of the payment system and ensure that no authorized payment is delayed or canceled?

Answer: Treasury is in compliance with all relevant court orders. The personnel tasked with working on these Bureau of the Fiscal Service systems upgrades will be Treasury employees or detailees from other agencies subject to all of the same requirements and controls of any

other Treasury employee. They will work hand-in-hand with the rest of Treasury's dedicated staff to ensure that all work is done with the highest standards of professionalism, consistent with all applicable legal and regulatory requirements, and subject to all appropriate controls.

Question 42: What Treasury Department procedures are in place for controlling and providing access to BFS systems?

Answer: Treasury is in compliance with all relevant court orders. Moving forward, The personnel tasked with working on these Bureau of the Fiscal Service systems upgrades will be Treasury employees or detailees from other agencies subject to all of the same requirements and controls of any other Treasury employee. They will work hand-in-hand with the rest of Treasury's dedicated staff to ensure that all work is done with the highest standards of professionalism, consistent with all applicable legal and regulatory requirements, and subject to all appropriate controls.

Question 43: As a named nominee for a Treasury position, were you made aware of DOGE's BFS access before it happened?

Answer: In my capacity as Counselor to the Secretary, I attended briefings where Treasury appointees discussed potential upgrades to, and reviews of, BFS systems.

Question 44: Did President Trump or anyone at the White House suggest firing Mr. Lebryk or putting him on leave? If yes, who suggested it, when did they suggest it, and why did they suggest firing him or putting him on leave?

Answer: It is my understanding that Mr. Lebryk chose to retire.

Question 45: Elon Musk's X announced that it would be partnering with Visa on a payment system it plans to launch this year.

- a. Has anyone from Visa, X, or entities associated with Musk discussed with Treasury the possibility of gaining access to Treasury payment systems?

Answer: To the best of my knowledge, no.

Question 46: What will be your guiding framework for using (Committee on Foreign Investment in the United States) CFIUS review for advancing the U.S.'s national and economic security?

Answer: U.S. economic policy must be aligned to support a broader U.S. national security strategy. If confirmed, I would aim to ensure that investment screening, and other tools, advance U.S. national security objectives as established by the National Security Council policy process led by the President.

Question 47: Do you agree that the work of CFIUS should advance the security of the American people, rather than privilege politically connected companies or otherwise serve private interests?

Answer: Yes.

Question 48: Do you agree that outbound investment from the U.S. into countries of concern to develop or exploit sensitive and advanced technologies is a potential threat to U.S. national security? How do you plan to approach this topic? Do you plan to continue or build on Treasury's current Outbound Investment Security Program?

Answer: The advancement by countries of concern in sensitive technologies and products that are critical for the military, intelligence, surveillance, or cyber-enabled capabilities of such countries poses a threat to U.S. national security, and certain U.S. outbound investments risk exacerbating this threat. If confirmed, I would aim to ensure that Treasury's Outbound Investment Security Program advances the U.S. national security objectives established by the National Security Council policy process led by the President. I am aware that there is bipartisan interest in legislation to address the issue of outbound investment security, and I look forward to working with Congress on this issue if confirmed.

Question 49: Treasury is responsible for implementing and enforcing a wide range of U.S. sanctions programs even as increasing policy demand for use of these tools has outpaced growth in resourcing for the mission. In its 2021 sanctions review, Treasury recommended modernization steps and principles that included identifying a clear policy objective, assessing whether sanctions are the right tool to advance it, calibrating sanctions to minimize unintended impacts, coordinating with partners, and ensuring the sanctions are enforceable and adaptable – premised on a willingness to lift sanctions in response to positive change in behavior. Do you agree with these recommendations from the review?

Answer: I have significant areas of agreement with Treasury's October 2021 sanctions review, including the need to ensure that new sanctions support a well-defined national security objective, have undergone an appropriately robust assessment informed by the best available intelligence and economic analysis, and are clear and enforceable.

Question 50: Are there particular areas in which sanctions prohibitions are too broad or otherwise overused, including in ways that could be driving migration? How serious is the risk that sanctions overuse could undermine use of the U.S. dollar in cross-border transactions globally?

Answer: Sanctions advance foreign policy and national security interests of the United States by encouraging changes in behavior by persons subject to sanctions or disrupting their activities by imposing greater costs. Sanctions are a powerful tool to dismantle the financial networks of terrorists, proliferators, cartels, corrupt actors, and others who seek to perpetrate harm against the United States, while also supporting global values such as democracy and human rights. In order to be effective, sanctions must be used strategically, with clearly defined goals, and implemented as part of a broader integrated strategy. Where possible, sanctions should be executed in concert with likeminded partners and allies to signal international resolve and solidarity.

Question 51: Will you continue Treasury's work to make sure that the costs for Russia continue to rise while it continues its war of choice against Ukraine, including but not limited to imposing sanctions on entities in China and other third countries that help Russia evade our measures?

- a. Do you commit to briefing Congress ahead of any unwinding of Russia sanctions, prohibitions, or designations, and ahead of any decisions regarding Russian sovereign assets?

Answer: As President Trump, National Security Advisor Mike Waltz, Secretary of State Marco Rubio, and Secretary Bessent have made clear, this Administration's goal is a permanent end to the war in Ukraine in a way that is fair, enduring, sustainable, and acceptable to all parties involved.

The Treasury Department commits to working with Congress, including as required by law, to consider how sanctions can support our shared goal of peace in close coordination with our allies.

Question 52: Do you agree with Secretary Rubio that the United States could miss a closing window to promote stability in Syria and resilience against ISIS, Iran, and Russia if we do not consider updating our sanctions?

- a. Broad, comprehensive prohibitions still apply to the country's entire economy and banking system following the end of the Assad regime. Do you agree that we can update or unwind those broad measures to stabilize the Syrian economy while keeping certain measures, such as counter-terrorism sanctions, in place?

Answer: I agree with Secretary Rubio that it's important to respond to this opportunity in Syria. I look forward to working with Congress and the interagency, if confirmed, to look to see how sanctions can be calibrated to appropriately respond to this moment in time.

Question 53: Will you advocate for the use of sanctions to advance U.S. policy objectives in a targeted way without impacting populations broadly?

- a. Licenses and exemptions for humanitarian, agricultural, and medical transactions serve an important lifesaving purpose. Do you agree that these exemptions alone cannot substitute for well-targeted sanctions when aiming to avoid large-scale civilian impact?

Answer: Sanctions alone cannot achieve our national security objectives. Sanctions are most effective — against power elites and rogue regimes — when combined with other tools of U.S. power and with our foreign partners.

Targeted sanctions against bad actors are a proven tool to discourage malicious activity, promote accountability, and compel changes of behavior. Treasury maintains a broad array of tools that it uses to calibrate U.S. sanctions to limit potentially negative impacts on ordinary people and legitimate businesses.

To ensure that humanitarian goods can reach civilians while maintaining pressure on rogue regimes and other bad actors, the United States sanctions programs include broad exemptions, exceptions, and authorizations that allow for the provision of humanitarian assistance and the commercial sale and export of agricultural commodities, food, medicine, and medical devices to sanctioned jurisdictions from the United States.

Question 54: Would you have advised the Treasury Secretary to invoke the systemic risk exception for Silicon Valley Bank and Signature Bank? If not, why not?

Answer: Data on deposit outflows and funding analyses that were said to have been relied upon to invoke the systemic risk exception for those financial institutions are not publicly available. We need to work to ensure that the U.S. banking system is safe and resilient. If confirmed, I would support actions to ensure that the U.S. banking system is safe and resilient.

Question 55: In the wake of the March 2023 bank crisis, then-Senator JD Vance and I expressed concerns over the Federal Deposit Insurance Corporation (FDIC)'s facilitation of the sale of First Republic Bank to JPMorgan.

- a. Then-Senator Vance stated, “[h]ad First Republic’s assets have been valued correctly, the FDIC would have been required under, the Least Cost Test, to liquidate First Republic rather than selling it to JPMorgan.” Do you agree with his assessment?
- b. Do you support then-Senator Vance’s amendment to the *Recovering Executive Compensation Obtained from Unaccountable Practices Act*, which would prohibit a megabank from winning an FDIC receivership auction if there are any non-megabank bidders?

Answer: We need additional transparency and accountability in the FDIC process to ensure that taxpayers and the financial system are properly protected. If confirmed, I commit to working with Congress on this matter.

Question 56: Do you think small businesses should have a safe place to put their money for payroll, operating expenses, and other transactions? Do you think it is appropriate that large businesses with uninsured deposits at Silicon Valley Bank and Signature Bank were protected by the government, while small businesses with accounts at local community banks sometimes lose their uninsured deposits when the bank fails?

Answer: I believe it is appropriate to evaluate deposit insurance expansion for small business bank accounts that are used for payroll and operating expenses and, if confirmed, look forward to working with you on this. I am aware that the FDIC issued a report on options for deposit insurance reform in May 2023, and that analytical work remains to further explore those options.

Question 57: Would you support bipartisan efforts to increase deposit insurance limits for small business transaction accounts?

Answer: I believe it is appropriate to evaluate the level of deposit insurance limits for small business transaction accounts. If confirmed, I look forward to working with you on this.

Question 58: Do you think bank consolidation poses a risk to the economy and financial stability?

Answer: Competition is an important component of a vibrant and healthy banking sector across the thousands of U.S. banks that can facilitate economic growth for American individuals, families, and businesses.

Question 59: Do you believe that the decline in the number of small and community banks nationally weakens our economy?

Answer: It is important to preserve the key role that small and community banks play in the United States, especially providing credit to American individuals, families, and small businesses.

Question 60: The *Glass-Steagall Act* (Glass-Steagall) was introduced in response to the financial crash of 1929, to stabilize the banking system by separating commercial and investment banking. Key provisions of the bill were repealed in 1999. Reinstating *Glass Steagall* has bipartisan support. President-elect Trump has previously called for a 21st century Glass-Steagall. Do you agree that Congress should break up banks’ commercial and investment banking functions?

Answer: It is important that we calibrate policy appropriately to enable a strong and healthy banking system to play its important role in providing financial services to Americans and

American businesses. If confirmed, I look forward to working with Congress in this important policy area.

Question 61: Do you agree that one of the lessons learned from the 2008 financial crisis is that the U.S. should have a regulatory body tasked with overseeing the buildup of risk across the entire financial system? Should Congress abolish the Financial Stability Oversight Council (FSOC)?

Answer: Coordination among the financial regulators is important. If confirmed, I look forward to working with FSOC to help drive financial regulatory coordination efforts.

Question 62: The Office of Financial Research (OFR) resides within the Treasury and helps policymakers and FSOC identify threats to the financial system. OFR is similarly funded through assessments on large banks rather than through congressional appropriations. During the last Trump presidency, the administration cut funding to OFR, which severely undermined OFR's ability to support FSOC.

- a. Are there pockets of the financial system that you think are too opaque? Would you encourage OFR to enhance transparency in those segments of the financial system?

Answer: If confirmed, I look forward to working to evaluate how the OFR can best support the needs of FSOC and its member agencies.

Question 63: In the 2008 financial crisis, financial companies that were not banks became so intertwined in our financial system that they could have brought down the entire economy. The collapses of investment companies Lehman Brothers and Bear Stearns and the insurance giant AIG contributed to the crisis, causing millions of families to lose their jobs, their homes, and their retirement savings. FSOC has the authority to proactively subject risky nonbank financial companies to enhanced oversight and financial stability safeguards by designating the firm as systemically important.

- a. Do you agree that FSOC's authority to designate nonbanks as systemically important is necessary to fulfill its statutory mission?
- b. Do you believe that across the financial system, including asset management firms, private equity and hedge funds, insurance companies, nonbank mortgage companies, and other nonbanks, there is not a single firm whose failure or ongoing activities could disrupt financial stability?
- c. In evaluating different categories of nonbank financial companies, what type of large and complex firm are you most worried could threaten financial stability?

Answer: If confirmed, I look forward to evaluating FSOC's authorities and appropriate approaches to monitoring and mitigating risks to financial stability, including ensuring that FSOC acts with analytical rigor and transparency.

Question 64: FSOC's most recent annual report identified financial vulnerabilities in a variety of areas that pose severe risks to the economy including commercial real estate, digital assets, and climate-related financial risks.

- a. With regard to commercial real estate FSOC stated, "weakening credit conditions in commercial real estate (CRE)—especially in the office sector and segments of the multifamily sector—have led to concerns among market participants about regional banks with large CRE concentrations." Do you agree with this assessment?

- b. The stablecoin Tether holds a significant percentage of U.S. Treasuries. According to FSOC's most recent annual report, "since the first appearance of U.S. Treasuries on Tether's attestations in 2021, its direct and indirect holdings have allegedly increased by over 571.57 percent to \$102.61 billion. If Tether continues its alleged current rate of Treasury purchases, it could become a significant holder of U.S. Treasuries and could present risks to the stability of the Treasury market if it experienced a run." Do you agree with this assessment?
- c. FSOC stated, "[c]limate-related financial risk can manifest as and amplify traditional risks, such as credit, market, liquidity, operational, compliance, reputational, and legal risks." Do you agree with this assessment?
- d. What do you see as the financial sector vulnerabilities that pose the most risk to the economy?

Answer: Commercial real estate continues to be impacted by the post-pandemic and macroeconomic environment, and if confirmed, I look forward to working with the financial regulators to assess potential risks. The Treasury market is a vital component of the global economy, and I look forward to preserving the deepest and most liquid market in the world, which includes fostering diversity of demand. I look forward to working with Congress as the Administration works to deliver a pro-growth agenda for the American people.

Question 65: During the past five years, the hedge fund industry grew by almost 43 percent, from \$6.7 trillion as of the second quarter of 2019 to \$9.6 trillion as of the second quarter of 2024. The financial stability vulnerabilities associated with hedge funds' leveraged Treasury market exposures have also become more prominent, as FSOC identified in its most recent annual report. The lack of hedge fund transparency, coupled with growing investment in the hedge fund industry, are troubling.

- a. At the outset of the COVID-19 pandemic in March 2020, the Treasury market experienced unprecedented turmoil as liquidity worsened, leading the Fed to take extraordinary actions to restore market functioning. Analyses suggest that large, highly leveraged hedge funds contributed to the turmoil. Do you agree that hedge funds played a role in driving the March 2020 breakdown of the Treasury market?
- b. Do you believe that analyzing the interconnectedness of the largest hedge funds, Treasury markets, and the banking system should be an ongoing priority for the Treasury?
- c. The Commodities Futures Trading Commission (CFTC) and Securities and Exchange Commission (SEC) adopted amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, to enhance FSOC's ability to monitor and assess systemic risk. Do you support the adopted amendments to Form PF? Would you support any additional enhancements to Form PF?
- d. In its 2024 Annual Report, FSOC highlighted the liquidity risks inherent in hedge funds' direct lending/private credit business. What are the risks you see in the private credit market? Do you intend to monitor these risks, as FSOC has done since its inception?

Answer: The US Treasury market is the deepest and most liquid market in the world and is vital to the stability, competition, and resilience of the US economy. If confirmed, I look forward to promoting and ensuring the stability of this market, including by working with the SEC and CFTC Chairs, to ensure that potential risks are appropriately evaluated.

Question 66: Banks and financial companies are becoming increasingly dependent on cloud service providers for their data storage, but these systems pose risks to the safety and stability of our nation's financial system particularly given the high concentration in this market. Amazon Web Services, Microsoft Azure, and Google Cloud Platform currently make up 67 percent of the worldwide cloud infrastructure market. Should FSOC consider designating the three leading cloud-based computing storage providers for the financial industry as systemically important financial market utilities (SIFMUs)?

Answer: If confirmed, I look forward to working with the financial regulators to assess potential risks to the financial system, including those potentially arising from core infrastructure dependencies.

Question 67: Visa and Mastercard currently control 80 percent of the credit card network market share with a combined market cap of \$1 billion. A failure of Visa or Mastercard would pose significant liquidity risks as these credit card networks are integral to our financial system, providing the infrastructure for the clearing and settling of payments. Should FSOC consider designating Visa and Mastercard as SIFMUs given their position as the largest credit card networks in the world?

Answer: If confirmed, I look forward to working with the financial regulators to assess potential risks to our financial system.

Question 68: Last year, Moody's estimated that breaching the debt limit and defaulting on U.S. government debt would result in the loss of 6 million jobs, wipe out \$12 trillion in household wealth, and drive the stock market down by nearly one-third.

- a. Do you believe that default is a serious threat to financial stability?
- b. Do you agree with President Trump that the debt limit should be eliminated?

Answer: Congress is responsible for addressing the statutory debt limit. If confirmed, I look forward to working with you and your colleagues to ensure that we do everything possible to protect the U.S. economy and guard against default on our nation's debt. Honoring the full faith and credit of the United States is a critical commitment.

Question 69: TD Bank helped a Chinese money laundering ring succeed in moving more than \$470 million in funds from drug sales through the bank.

- a. Do you believe there were supervisory failures in monitoring TD Bank's compliance with our AML laws?
- b. If so, what specific actions would you recommend to address these failures?

Answer: Ensuring that bank supervisors are effectively examining and identifying relevant AML and sanctions risks is critical to maintaining the integrity of our financial system. If confirmed, I will work closely with relevant banking regulators and supervisory authorities to protect the integrity of the U.S. financial system and ensure that effective AML compliance is a supervisory focus.

Question 70: Should anti-money laundering and countering the financing of terrorism (AML/CFT) and sanctions programs include risk-based provisions reasonably designed to prevent money laundering or terrorist financing involving digital assets?

- a. Should the agency have a secondary sanctions-like tool that would allow it to sever fintech and crypto operators from U.S. relationships?
- b. Should the Office of Foreign Asset Controls (OFAC) have jurisdiction over dollar-denominated stablecoins?
- c. Should Congress clarify when and how Treasury's BSA authority and the *International Emergency Economic Powers Act* (IEEPA) apply foreign entities with certain U.S. touchpoints?

Answer: I understand that the Administration has been working to implement the President's Executive Order on Strengthening American Leadership In Digital Financial Technology. I look forward to working on this effort, if confirmed.

In particular, I share your concern, and I can assure you that addressing sanctions evasion using any form of currency will be an important priority of mine, including addressing sanctions evasion by those who seek to use digital assets. If confirmed, you have my pledge that we will do so. These efforts are central to protecting the digital asset ecosystem from malicious actors like Iran, drug traffickers, and cyber criminals.

If confirmed, one of the first things that I will do is try to be a bridge between industry and Treasury experts to ensure that we are leveraging the unique opportunities that digital assets offer to identify and disrupt misuse by malicious actors.

Question 71: The *Corporate Transparency Act* requires reporting of beneficial ownership information to prevent criminals from using businesses to conceal their identities and facilitate illicit activity like money laundering, sanctions evasion, and terrorist financing. The law requires many U.S. companies to report their true, or "beneficial," owners to a confidential database housed at the U.S. Treasury, stating that the law would "assist law enforcement in detecting and preventing illicit activity such as terrorist financing and money laundering." Now the Trump Administration is in charge of administering that database, including providing access to it for law enforcement and national security officials. But, despite the critical law enforcement and national security aims of the law, Treasury has announced that it will not enforce any penalties or fines associated with the beneficial ownership information reporting rule.

- a. Do you view the *Corporate Transparency Act* as an important new tool for the U.S.' ability to prevent terrorism and to follow the money that finances it?
- b. Do you agree with the authors of Project 2025 that the *Corporate Transparency Act* should be repealed by Congress?
- c. Were you aware of or involved in the decision to suspend enforcement of the *Corporate Transparency Act*?
- d. Have you conducted any analysis of how many more terrorists or criminals will be able to exploit the U.S. financial system while enforcement of the law is suspended?
- e. Will you work with Congress to make sure that the office responsible for maintaining the database, the Financial Crimes Enforcement Network (FinCEN), has sufficient staff, technology, and other necessary funding to make the most out of this new tool?
- f. Absent such action by Congress, will you commit to fully implementing and enforcing the provisions of the *Corporate Transparency Act*?
- g. Will you commit to retention of FinCEN's beneficial ownership reporting rule?

Answer: While beneficial ownership information can be a valuable tool to assist law enforcement efforts and safeguard our national security interests, we must also ensure that

regulatory requirements are appropriately tailored to provide highly useful information, while not creating unnecessary and substantial burdens or disproportionate legal consequences on law-abiding U.S. individuals and small businesses. As you may know, on March 2, 2025, the Treasury Department announced that, with respect to the Corporate Transparency Act, not only will it not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, but it will further not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after forthcoming rule changes take effect either. Further, the Treasury Department will be issuing a rulemaking that will narrow the scope of the rule. If confirmed, I will work to ensure that Treasury's AML/CFT efforts as a whole help to combat illicit finance and detect, disrupt, and deter malign actors while not creating unnecessary regulatory requirements that harm hard-working American taxpayers and small businesses. I also believe FinCEN should have the resources needed to fulfill its statutory responsibilities.

Question 72: Treasury identified in its 2024 National Money Laundering Risk Assessment that “fraud remains the largest and most significant proceed-generating crime for which funds are laundered in or through the United States.”

- a. Do you agree that addressing fraud should remain a priority for the Treasury Department?
- b. What actions will you prioritize as Deputy Secretary to limit fraud and the associated money laundering?

Answer: Combating financial crime including fraud should continue to be a key objective of the U.S. government's law enforcement agencies, including the authorities granted to Treasury's Office of Terrorism and Financial Intelligence. If confirmed, I will review TFI's ongoing work in support of interagency efforts on this issue and determine if additional initiatives are warranted.

Question 73: Do you agree that Treasury should use its tools to protect the financial system from being exploited or destabilized by rogue states, terrorists, and other malign actors?

Answer: I agree, and if confirmed, will ensure that TFI is leveraging the full range of its tools and capabilities, in coordination with appropriate partners, to disrupt these actors.

Question 74: Are you committed to using the tools of the federal government to increase the supply of affordable housing as Treasury Deputy Secretary?

Answer: In the last four years, the monthly mortgage payment on the median-priced home in our country has doubled. As appropriate in the role of Treasury Deputy Secretary, if confirmed, I will review possible tools to promote affordable U.S. housing supply.

Question 75: The Low-Income Housing Tax Credit (LIHTC) is the largest federal program dedicated to constructing and preserving affordable rental homes, supporting the construction of over 3.5 million affordable units. A bipartisan coalition of lawmakers in Congress has introduced legislation that would expand LIHTC, including by providing more support for extremely low-income households and rural and Native American communities.

- a. Do you support LIHTC as a way to increase the supply of affordable rental homes?
- b. Do you support expanding LIHTC, including in ways to better serve extremely low-income households and renters living in rural and Tribal areas?

Answer: President Trump is committed to the extension of historic tax reform, and if confirmed, I look forward to working with Congress to incorporate proposals that will have a positive impact on the largest number of Americans and tackling the affordability crisis of the last four years.

Question 76: In 2019, then-HUD Secretary Carson stated, “[t]he correlation seems very strong: The more zoning restrictions and regulations, the higher the prices and the more homeless people.”

- a. Do you agree with then-Secretary Carson’s assessment that zoning restrictions and regulations can exacerbate the housing shortage?
- b. Should the federal government encourage states and localities to reduce unnecessary regulatory barriers that prevent housing construction?
- c. Does the Treasury Department have tools to help do so?

Answer: With regard to questions (a) and (b), the answer is yes. With regard to question (c), I am not aware of specific Treasury tools to address this issue, but would welcome input from you and your staff.

Question 77: The homebuilding industry is becoming increasingly concentrated, with the top ten builders accounting for over 42 percent of all new single-family home closings in 2023 compared to 8.7 percent in 1989. Do you view homebuilder consolidation as a problem? If so, what policy solutions do you support to address it?

Answer: If confirmed, I look forward to working with your office to learn more about these matters.

Question 78: Institutional investors, such as private equity firms, have bought up record numbers of single-family homes, manufactured housing communities, and rental properties, oftentimes jacking up rents and costs for families. Do you agree that corporate investors buying up homes, crowding out individual buyers, and raising rents for renters is a problem?

Answer: If confirmed, I look forward to working with your office to learn more about these matters.

Question 79: Price fixing and other forms of collusion are illegal under antitrust law, however, companies like RealPage are allegedly enabling landlords to collude to raise rents using price-setting algorithms and non-public data. Do you agree that federal regulators should take steps to address algorithmic price fixing in the housing market?

Answer: I believe this question is best directed to the federal antitrust regulatory authorities.

Question 80: The high cost of capital has created a serious problem for housing construction, driving up expenses and stifling new development projects.

- a. Do you believe that the federal government has a role to play in lowering the cost of capital to increase the housing supply?
- b. If so, what are your recommendations for specific actions that the federal government can take? If not, why not?

Answer: Elevated interest rates can negatively impact Americans in a variety of ways, as we have seen in the past several years. If confirmed, I will work to address higher costs, including but not limited to, the cost of capital in the housing market.

Question 81: Congress created the Federal Home Loan Bank System (FHLBs) to provide liquidity for housing and community development. However, in recent years, the FHLBs have fallen short of their mission. In fiscal year 2024, the FHLBs received approximately \$7.3 billion in government subsidies. At the same time, the FHLBs paid \$3.4 billion to their members in dividends and only \$397 million to Affordable Housing Programs (AHP)—a 8.5 to 1 ratio.

- a. Should the FHLBs do more to support affordable housing?
- b. Treasury and the Federal Housing Finance Agency (FHFA), the regulator for the FHLBs, recently recommended that the FHLBs contribute 20 percent of their net income to AHP. Do you agree that FHLBs should commit a minimum of 20 percent of their net income to AHP?
- c. If so, what actions will you take as Treasury Deputy Secretary to ensure that FHLBs reach that 20 percent minimum?

Answer: The FHLBs are required by law to contribute a portion of their earnings to AHP. If confirmed, I look forward to working with Congress to review the role of the FHLBs and AHP.

Question 82: Experts have raised concerns that criminal actors are exploiting the U.S. residential real estate market to launder money and drive up costs for families.

- a. Do you commit to working proactively with FinCEN, CFIUS, and other agency partners to address any national security concerns arising out of these transactions?
- b. Do you agree that it is important to maintain the bipartisan *Corporate Transparency Act's* beneficial ownership reporting requirements, which Congress concluded were critical to cracking down on malign actors seeking to conceal their ownership of entities in the United States to facilitate illicit activity like money laundering, the financing of terrorism, financial fraud, and acts of foreign corruption harming the national security interests of the United States?
- c. Do you support ending the conservatorships of Fannie Mae and Freddie Mac? If so, why?

Answer: I commit to working proactively with FinCEN, CFIUS, and other agency partners. If confirmed, I look forward to working with Congress to combat illicit finance and protect the national security interests of the United States, and I will work to ensure that Treasury's AML/CFT efforts as a whole help to combat illicit finance and detect, disrupt, and deter malicious actors while not creating unnecessary regulatory requirements that harm hard-working American taxpayers and small businesses.

Answer: I look forward to working on the status of the conservatorship of Fannie Mae and Freddie Mac. The conservatorships have persisted for more than 15 years, and no conservatorship should be indefinite. However, any actions pursued should be carefully designed and executed.

Question 83: If the Treasury Department and FHFA decide to end the conservatorships of Fannie Mae and Freddie Mac, would Treasury and FHFA do so through administrative action or through legislation by Congress? In your view, what conditions must be met before ending the conservatorships? Are there any congressional actions that must take place to end the conservatorships?

Answer: If confirmed, I look forward to exploring options on the status of Fannie Mae and Freddie Mac, and if confirmed I will commit to acting in a manner that is thorough and

thoughtful, and consistent with the law. Any actions pursued should be carefully designed and executed.

Question 84: In your estimation, how long would it take to meet any required preconditions and complete the process of releasing Fannie Mae and Freddie Mac from conservatorship?

Answer: Any preconditions or process for releasing Fannie Mae and Freddie Mac from conservatorship should be done carefully and thoughtfully. Any actions pursued should be carefully designed and executed.

Question 85: Should the Trump Administration bar any individuals or entities who would financially profit from the end of Fannie Mae and Freddie Mac's conservatorships from discussions and decision-making about potential release?

Answer: If confirmed, I look forward to hearing from a diverse range of stakeholders in seeking the best path for Fannie Mae and Freddie Mac in compliance with applicable law.

Question 86: What conditions should the Treasury Department seek in an agreement to end Fannie Mae and Freddie Mac's conservatorships to ensure that American families, especially low-income families, are not harmed by these efforts? How would such conditions be enforced?

Answer: If confirmed I will seek to ensure that any conditions associated with or changes to the conservatorships are done in a careful manner that improves home affordability in the United States.

Question 87: If they are released from conservatorship, do you support requirements for Fannie Mae and Freddie Mac to continue to support access to affordable mortgage credit in all markets and for qualifying low- and moderate-income families? If so, how would the Treasury Department impose those requirements and would congressional action be necessary?

Answer: If confirmed, I look forward to working with stakeholders from across the housing finance system--including that which is supported by the federal government--to help ensure that mortgage credit is made affordable and accessible at all times in the United States.

Question 88: If they are released from conservatorship, do you support requirements for Fannie Mae and Freddie Mac to continue to support access to affordable multifamily mortgage credit for housing in all markets and for qualifying properties, including those affordable to low-income renters? If so, how would you impose those requirements and would congressional action be necessary?

Answer: Congress has tasked Fannie Mae and Freddie Mac with supporting access to mortgage credit across the nation, including for low- and moderate-income borrowers. It is important that Fannie Mae and Freddie Mac fulfill their statutory mandates. If confirmed, I look forward to working with stakeholders from across the housing finance system--including that which is supported by the federal government--to ensure that mortgage credit is made affordable and accessible at all times in the United States.

Question 89: Do you support requirements for Fannie Mae and Freddie Mac to continue to cross-subsidize the mortgages they insure when released from conservatorship so that mortgage rates do not increase for American families? If so, how would the Treasury Department impose those requirements and would congressional action be necessary?

Answer: Elevated mortgage rates can negatively impact Americans in a variety of ways, as we have seen in the past several years. President Trump is committed to lowering housing costs, and if confirmed, I will work to advance this goal.

Question 90: Do you support requirements for Fannie Mae and Freddie Mac to be subject to regulated rates of return for shareholders when released from conservatorship to encourage responsible management of their businesses and to ensure that mortgage costs do not increase for American families? If so, how would the Treasury Department impose those requirements and would congressional action be necessary?

Answer: If confirmed, I look forward to engaging with you and your staff, as well as with the entire housing finance system on this matter to better understand what actions may be necessary.

Question 91: Under conservatorship, FHFA has required Fannie Mae and Freddie Mac to treat all originators equally without regard to size or business volume. Do you pledge to maintain that requirement in any agreement to release Fannie Mae and Freddie Mac from conservatorship? If so, how would the Treasury Department implement and enforce such a requirement?

Answer: Broad access to the market is important, which includes ensuring that competition exists across originator business models and sizes. If confirmed, I look forward to engaging with you on this matter.

Question 92: Before their conservatorships, Fannie Mae and Freddie Mac were prolific lobbyists of the federal government. Does FHFA or the Treasury Department have the authority to restrict their lobbying activity outside of the conservatorships? If so, what tools would either agency use to impose such a restriction? If not, are you concerned about the Government Sponsored Enterprises' (GSE) lobbying activity if the conservatorships were terminated?

Answer: If confirmed, I look forward to working with the Director of FHFA to understand the full extent of the tools and authorities at FHFA to help ensure that decisions are appropriately made.

Question 93: During the 2008 crisis, the federal government bailed out Fannie Mae and Freddie Mac, vindicating widespread investor views that the GSEs were backed by an implied government guarantee despite their lack of an explicit government guarantee.

- a. If the conservatorships are ended, would you support extending a full faith and credit guarantee to Fannie Mae and Freddie Mac, their securities, or their debt? In your view, would doing so require congressional action or could FHFA or the Treasury extend such a guarantee through administrative action?
- b. Should Fannie Mae and Freddie Mac be charged a fee for any government guarantee, whether explicit or implied? If so, how much should that fee be and how would such a fee affect mortgage costs?

Answer: It is my understanding that legislation would be required for an explicit, paid-for guarantee backed by the full faith and credit of the U.S. government. If confirmed, I look forward to being briefed on options regarding a government guarantee.

Question 94: Because of the federal government's bailout of Fannie Mae and Freddie Mac, the federal government owns senior preferred shares in the GSEs. Should American taxpayers be compensated for any redemption of their senior preferred shares?

Answer: Treasury should be compensated for its past support of the GSEs, and if confirmed I look forward to exploring options for potentially dealing with this matter.

Question 95: In the midst of this housing supply crisis, do you agree that any funds returned to the Treasury from the redemption of Treasury's senior preferred or common shares of Fannie Mae and Freddie Mac should be earmarked to fund investments in affordable housing supply?

Answer: If confirmed, I look forward to working with other stakeholders to evaluate legally available options for the use of any funds returned to Treasury as part of a redemption or sale of Treasury's equity interests in the GSEs.

Question 96: If Fannie Mae and Freddie Mac were released from conservatorship, do you anticipate that credit ratings for their products would be downgraded? If so, how much do you estimate that their ratings would be downgraded by and how would that rating downgrade affect investors' willingness to purchase their securities? How would these changes affect mortgage rates for homebuyers?

Answer: If confirmed, I look forward to working with all interested parties, including the Director of the FHFA, to understand the potential implications of a release from conservatorship of the GSEs, including potential impacts on their credit ratings and the downstream effects.

Question 97: In your estimation, how much would private investors in Fannie Mae and Freddie Mac immediately gain from the release of the GSEs from conservatorship?

Answer: If confirmed, I look forward to exploring options related to restructuring the GSEs' capital structure. The implications for private investors are contingent on these decisions, and as such there is a wide range of potential outcomes.

Question 98: Can you commit to the American people that any efforts to release Fannie Mae and Freddie Mac from conservatorship will not raise mortgage costs?

Answer: President Trump is committed to lowering housing costs, and if confirmed I will work to advance this goal.

Question 99: Do you believe that the Consumer Financial Protection Bureau (CFPB) should be abolished?

Answer: The CFPB was established by law. I believe the CFPB should continue to fulfill its statutory mission absent a change in the law.

Question 100: Do you believe the source or amount of CFPB funding should be changed? If so, in what way?

Answer: It is my understanding that the CFPB's funding structure is specified in law. If confirmed, I look forward to reviewing any legislative changes that Congress may consider.

Question 101: Do you believe the CFPB's enforcement authorities should be altered? If so, in what way?

Answer: I defer to the CFPB regarding whether its authorities are appropriate or sufficient to accomplish its statutory mission.

Question 102: Average credit card interest rates have nearly doubled to 23 percent over the last decade, and Americans are carrying a record \$1.17 trillion in credit card debt. President Trump recently said he would put a 10 percent cap on interest rates. Do you agree with President Trump that a 10 percent cap on credit card annual percentage rates should be enacted?

Answer: The Department of the Treasury does not have authority to impose a cap on credit card rates. However, I agree that increased borrowing costs are one of the significant affordability challenges facing American households. Addressing these challenges is a priority. If confirmed, I commit to evaluating the extent to which credit card and other consumer debt are unaffordable for American consumers.

Question 103: The CFPB has issued guidance indicating that discrimination by a financial institution may constitute an unfair, deceptive, or abusive act or practice, an interpretation that could help ensure that banks do not close accounts on the basis of protected characteristics like religion. The CFPB has also issued rules and taken enforcement actions against financial institutions that close customer accounts without adequate notice or opportunity to obtain funds—which constitutes an unfair, deceptive, or abusive act or practice. Do you agree with the CFPB’s efforts to prevent debanking?

Answer: I am not familiar with this specific guidance issued by the CFPB. However, I agree that debanking is an issue of great public interest. If confirmed, I commit to working with stakeholders to address this issue.

Question 104: Do you pledge to never allow a political appointee of the President, or allies or business associates of the President, to direct or influence the audit or termination of an audit or investigation of any individual or entity?

Answer: I will comply with all relevant laws.

Question 105: Do you pledge to never allow political appointees at the IRS to direct or influence the audit or termination of an audit or investigation of any individual or entity?

Answer: I will comply with all relevant laws.

Question 106: Will you commit to recuse from all particular matters involving your former clients or employers for at least four years?

Answer: I will comply with all relevant Ethics laws.

Question 107: Will you commit not to seek employment or board membership with, or another form of compensation from, a company that you regulate or otherwise interact with while in government, for at least four years after leaving office?

Answer: I will comply with all relevant Ethics laws.

Question 108: Will you commit not to lobby the Treasury Department — including work as an informal “shadow lobbyist” — for at least four years after leaving office?

Answer: I will comply with all relevant Ethics laws.

Questions for the Record submitted to Michael Faulkender from Senator Ben Ray Luján.

Question 1: During our conversation in my office, you agreed that Treasury must use every tool at its disposal to fight financial crime and stop the flow of illegal fentanyl. Then, a week later, Treasury announced it will no longer enforce penalties under the Corporate Transparency Act. The Trump Administration released a Statement of Administration Policy commending the Corporate Transparency Act in October 2019. Given that cartels and fentanyl traffickers exploit anonymous shell companies to evade accountability here in the United States, why has the Trump Administration changed its position on the same bill? Does Treasury no longer believe that beneficial ownership reporting is a tool that Treasury can use to go after these cartels and fentanyl traffickers?

Answer: On March 2, 2025, Treasury Department announced that, with respect to the Corporate Transparency Act, it will not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines. Treasury takes this step in the interest of supporting hard-working American taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest. If confirmed, I am committed to moving aggressively to disrupt trafficking activity and engage with the private sector and foreign counterparts on fentanyl trafficking.

Question 2: Will you work with me to ensure there is more transparency in Suspicious Activity Reports (SARs) at the Financial Crimes Enforcement Network for Congress?

Answer: Yes, if confirmed, I will agree to work with you to ensure that there is more transparency surrounding suspicious activity reports, as Secretary Bessent also committed to during his confirmation hearing,

Question 3: During the first Trump Administration, you helped write the rules for the Paycheck Protection Program. Why did rulemaking established under your watch fail to establish clear distribution requirements? Why did rulemaking established under your watch allow large publicly traded companies qualify for the Paycheck Protection Program, which was designed to support small businesses?

Answer: The implementation of the Paycheck Protection Program followed the eligibility standards established by Congress in the statute.

The goal of the program was to support workers while maintaining the employee-employer connection through the worst of the downturn. The alternative was more severe layoffs and greater strain on our Unemployment Insurance system. Generally, loans were limited to small- and medium-size enterprises, defined as firms with fewer than 500 employees. However, under the statute, some industries that were hit particularly hard by the pandemic—primarily the accommodation and restaurant industries—had higher employee limits for PPP loans, resulting in some publicly traded firms receiving PPP loans.

Questions for the Record submitted to Michael Faulkender from Senator Warnock.

Question 1: President Trump has used the International Economic Emergency Powers Act (IEEPA) to issue 25 percent tariffs on Canada, 25 percent tariffs on Mexico, and two 10 percent tariff announcements on China. This is the first time IEEPA has been used for tariffs.

- Are tariffs an appropriate use of IEEPA authorities?

- Are tariffs preferable to achieve American policy gains to sanctions or export controls? Why or why not?
- In multiple instances, following President Trump’s announcement of such tariffs, the President has subsequently suspended the tariffs, in part or in whole, for various periods of time. In your view, do producers and manufacturers benefit from certainty in tariff policy?
- Does announcing and then rolling back tariffs, in as little as two days, serve certainty in tariff policy?
- President Trump has announced steel and aluminum tariffs will come into effect on March 12. He has also announced reciprocal tariffs will come into effect on April 2. This is in addition to potential tariff actions on Canada and Mexico. Do you believe the President using multiple different tariff threats and authorities to “stack” tariffs will increase costs for Americans?

Answer: President Trump has been clear about the urgent need to rebalance the international economic system to prioritize the interests of American workers, families, and businesses and to protect U.S. sovereignty and address threats to the national security, foreign policy, and economy of the United States, as well as economic and national security. If confirmed, I am committed to contributing to a coordinated government effort aimed at advancing these priorities. The effort may include the use of sanctions, tariffs, investment controls, and other tools to promote fair and reciprocal trade, strengthen our economic foundation, and reinforce the strength and stability of the dollar.

To ensure U.S. firms and workers are protected against unfair foreign trade practices, free trade must also be fair and reciprocal trade, and all options must be on the table. I look forward to reviewing the results of the policy review initiated by President Trump’s America First Trade Policy Memorandum.

The Administration will take every appropriate and lawful action to address violations or abuses of trade law. International economic relations that do not work for the American people must be re-examined, and this is what tariffs are designed to address – leveling the playing field for everyday Americans.

Question 2: During his March 4, 2025 Joint Address to Congress, President Trump told Americans there would be an “adjustment period” as his tariffs come into place.

- If confirmed, how would you work to prevent tariffs from raising costs on families?
- If a trade war breaks out with our largest trading partners, how will you and the Administration ensure that Georgia farmers and manufacturers do not lose access to international export markets, especially in countries that retaliate?
- Will there be a point where you will say, the pain our Administration has inflicted on hardworking families is too much, and you will advocate to reduce tariffs?

Answer: President Trump has laid out his vision to restore American economic prosperity, the goal of which is to improve the lives of every American. International economic relations that do not work for the American people must be re-examined. The Administration is identifying bad actors across a range of criteria, not just tariffs applied to our exports, but also non-tariff barriers, laws which unfairly apply fines to our exporters, government policies which undercut global competition and suppress wages and currency manipulation that enables persistent trade surpluses. To ensure U.S. firms and workers are protected against unfair foreign trade

practices, free trade must also be fair trade. If confirmed, I look forward to reviewing the results of the President's America First Trade Policy Memorandum and utilizing these results to drive sound policy initiatives that advance the prosperity of everyday Americans. The Administration is identifying bad actors across a range of criteria, not just tariffs applied to our exports, but also non-tariff barriers, laws which unfairly apply fines to our exporters, government policies which undercut global competition and suppress wages and currency manipulation that enables persistent trade surpluses. To ensure U.S. firms and workers are protected against unfair foreign trade practices, free trade must also be fair and reciprocal trade.

President Trump has laid out his vision to restore American economic prosperity, the goal of which is to improve the lives of every American. International economic relations that do not work for the American people must be re-examined, and I look forward to reviewing the results of the President's America First Trade Policy Memorandum, and utilizing these results to drive sound policy initiatives that advance the prosperity of everyday Americans.

Question 3: In February 2025, the Internal Revenue Service (IRS) laid off over 6,000 employees. According to public reporting, additional cuts may be forthcoming. Millions of Georgians and Americans count on a timely tax refund every spring.

- If confirmed, what metrics will you use to assess the IRS's consumer service during this time? What level of performance is considered satisfactory or unsatisfactory?
- What metrics will you use to assess the timeliness with which the IRS processes American's refunds? What level of performance is considered satisfactory or unsatisfactory?
- In your view, will these layoffs have any effect on customer service or the timeliness of refunds during the 2025 filing season?
- How will you assess the effect of these layoffs, if any, on customer service and the timeliness of refunds?
- How will you assess the effect of these layoffs, if any, on revenue collection?

Answer: Treasury is working to improve and modernize its customer service operations to the benefit of American taxpayers. If confirmed, I will work with the IRS to identify areas for improvement.

Question 4: Employees from Elon Musk's Department of Government Efficiency (DOGE) have infiltrated the IRS and accessed sensitive systems that contain taxpayers' private data, including the IRS Integrated Data Retrieval System.

- Did you have any role in advising any Treasury official on whether to permit DOGE access to these systems? If so, what role?
- In your view, should DOGE employees have access to sensitive taxpayer information?
- If so, what specific projects performed by DOGE employees require access to these systems?
- By what metrics and on what timeline will you assess the success of DOGE's efforts on such projects?

Answer: Treasury is focused on modernizing information technology systems in order to deliver better collections, enhance privacy, and improve customer service. This includes examining IRS software and network infrastructure systems to identify opportunities that would promote inter-operability between networks and systems so we can modernize IRS

technology and software to maximize IRS efficiency and productivity. The DOGE team's information access is currently limited in accordance with the terms of relevant court orders. Treasury will comply with all relevant legal requirements.

Question 5: On February 3, 2025, President Trump issued an Executive Order calling for the creation of a Sovereign Wealth Fund. The Treasury Department has been tasked with developing a plan to establish this Fund.

- Do you support creating a Sovereign Wealth Fund?
- What is the purpose of creating a Sovereign Wealth Fund?
- How should the Sovereign Wealth Fund be funded?
- Do you believe that Congress should play a role in establishing and overseeing the Sovereign Wealth Fund? If so, what should that role be?
- How will the Treasury Department ensure that the Sovereign Wealth Fund does not create conflicts of interest?
- Will the Sovereign Wealth Fund lower costs for Americans? If so, how?

Answer: The President's executive order directs the Secretary of the Treasury, the Secretary of Commerce, and the Assistant to the President for Economic Policy to develop a plan to present to the President with recommendations including funding mechanisms. That report is being developed by said agencies and will be delivered to the President by May 4, 2025. I am not currently involved in this effort, but if confirmed, I look forward to reviewing the report and its findings.

Question 6: On January 27, 2025, the Trump Administration's Office of Management and Budget (OMB) released a memorandum ordering all federal agencies to pause disbursement of federal grants, loans, and other financial assistance. As I have previously discussed on the Senate floor, this freeze caused considerable chaos and harm within Georgia. As you know, the Treasury Department controls many of the systems by which government payments are disbursed, and as such, can play a significant role in effectuating such a freeze.

- Do you believe that the January 27, 2025 OMB order caused any harm to Americans? If so, what harms occurred?
- Multiple parties have brought suit against this order. In a case brought by 22 states and the District of Columbia, Federal district judge John McConnell ruled against the Administration, concluding:

The Executive's action unilaterally suspends the payment of federal funds to the States and others simply by choosing to do so, no matter the authorizing or appropriating statute, the regulatory regime, or the terms of the grant itself. The Executive cites no legal authority allowing it to do so; indeed, no federal law would authorize the Executive's unilateral action here.

- Do you agree that Executive Branch officials have a legal obligation to obey valid judicial orders, including temporary restraining orders?
- If confirmed, do you commit to obeying valid judicial orders and instructing Treasury Department employees to do so as well?
- The Impoundment Control Act of 1974 (Pub. L. 93-344) sets out specific procedures by which the President may permanently cancel federal spending that has been appropriated by Congress. Do you believe the Impoundment Control Act is constitutional?

- Do you believe that the President has the authority to permanently cancel federal spending outside the procedures described under the Impoundment Control Act?
- Do you commit to following the procedures described under the Impoundment Control Act if directed to permanently cancel federal spending?

Answer: The President and the Office of Management and Budget are responsible for making decisions related to impoundment.

Question 7: Solar and battery manufacturing supported by the Inflation Reduction Act's Advanced Manufacturing Production Tax Credit are very important to Georgia. According to the Clean Energy Tracker, clean energy manufacturing businesses have invested billions of dollars in Georgia and support over 33,000 jobs. These credits are transforming Georgia's towns, lowering energy costs and strengthening America's energy independence, but manufacturing companies need tax policy certainty.

- Do you agree that tax policy certainty is extremely important for U.S. manufacturers?
- Do you agree that repealing or rolling back manufacturing incentives after nearly three years would create uncertainty for these businesses?
- Do you agree that repealing or rolling back manufacturing incentives would hurt Georgia jobs and workers?
- Do you agree that we need to keep innovative industries in the United States?
- Do you agree that the United States is stronger when we promote a strong domestic advanced manufacturing sector—instead of letting competitors such as China dominate the market?
- If confirmed, how would you promote onshoring manufacturing and securing supply chains with allied nations without threatening Georgia jobs?

Answer: I believe we must have a tax code that promotes growth, productivity, and investment across a wide range of sectors in the economy. The tax code should foster innovation, encourage American manufacturing, create new jobs, and keep our workers and businesses competitive in the global economy. If confirmed, I look forward to working with Congress in developing tax policies to achieve these outcomes.

Question 8: U.S. energy demand is expected to increase dramatically in the coming years. A recent study conducted by NERA Economic Consulting showed that repealing the Inflation Reduction Act's energy investment and production tax credits would raise average U.S. residential electricity prices by nearly 7% by 2026 – an average yearly increase of more than \$110 for American households.

- Do you agree that the rising cost of energy is a major issue for American businesses and consumers?
- Do you agree that renewable energy sources, including solar, will play a major role in the future of American energy?
- Do you believe that more domestic energy production, including from renewable sources, can bring down the cost of energy?
- How do you think repealing the IRA's energy tax credits would affect energy costs?
- What are the long-term consequences for energy costs if clean energy supply chains are located overseas?

Answer: I support all-the-above energy policies that will unleash American energy and bring down costs for working families and small businesses around the country. Increasing domestic energy production is at the forefront of the Administration's policy goals. If confirmed, I look forward to working with Congress to boost energy production and lower energy costs for Americans.

Question 9: According to the Economic Policy Institute, the average CEO made nearly sixteen million dollars in 2021, which was about four hundred times as much as their average employee. This set a record for the disparity between CEO and worker pay, which has risen dramatically since the 1970s. Your previous research has discussed the risks of poorly structured forms of corporate compensation, and you have also noted “it's fine to pay CEOs when the firm does well, but when the firm does poorly . . . we really should not see these excessive packages being awarded.”

- Are you concerned about the rising pay gap between CEOs and their workers?
- Do you believe that high levels of executive compensation relative to workers is driving economic inequality?
- What policies, if any, do you think the federal government should adopt to address excessive executive compensation and inequality?
- Do you believe that corporate tax cuts contribute to the pay gap between executives and workers?

Answer: I believe that pro-growth tax policy will benefit all Americans. Despite claims to the contrary, IRS data show that following enactment of the Tax Cuts and Jobs Act, the share of federal income taxes paid by the Top 1% was higher than before the law was passed. Hardworking Americans saw the fastest real median wage growth in years. In the two years following passage of the Tax Cuts and Jobs Act, wages grew much faster for those at the bottom half of the income spectrum than for those at the top of the income spectrum. We also saw record low poverty rates and unemployment.