

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

May 2, 2024

The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Ave NW
Washington DC 20500

Dear Mr. President:

I write to offer my strong support for Kristin Johnson to be nominated as the Assistant Secretary for Financial Institutions at the U.S. Department of the Treasury. Ms. Johnson currently serves as a Commissioner of the U.S. Commodity Futures Trading Commission (CFTC), where she has served since 2022 after being unanimously confirmed by the United States Senate. Commissioner Johnson is an expert in financial regulation and would be a standout in this new role. I strongly encourage you to nominate her.

In her role as a CFTC Commissioner, Commissioner Johnson has prioritized maintaining the integrity of our financial markets. She has pushed the Commission to adopt rigorous capital, collateral, and margin standards. Commissioner Johnson is also leading the CFTC's work on artificial intelligence (AI) and encouraging the Commission to carefully evaluate whether existing regulation is fit-for-purpose or new regulation is required. An interdisciplinary and collaborative approach has been critical to Commissioner Johnson's contributions, as she works with stakeholders, including industry and regulators across the financial services spectrum, on how to reduce and mitigate algorithmic bias in AI models.

Additionally, as a consumer advocate, Commissioner Johnson has argued for strong enforcement of the nation's investor and consumer protection laws and has strongly supported the Commission's enforcement actions against bad actors that target diverse communities.

Prior to her confirmation as Commissioner, Commissioner Johnson honed her legal expertise at Emory University and Tulane University where she served as an endowed professor at each law school. In over ten years in academia, Commissioner Johnson published a number of scholarly articles on financial regulation. Commissioner Johnson's scholarly work focused on how public policy may hold financial market participants accountable for their risk management decisions. Specifically, her work advocated for the establishment of a regulatory framework that would prevent moral hazard while preventing excessive risk taking by financial institutions. During Congressional consideration of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Commissioner Johnson advocated for increased transparency in the OTC derivatives market, a reform which was included in the law.

In light of her expertise, when I served as Chairwoman of the Financial Services Committee, I invited Commissioner Johnson to testify as an expert witness multiple times. In addition to being well informed, Commissioner Johnson provided the Committee with important insights on a wide range of topics, like access to credit, credit underwriting, fair lending, AI, digital assets, data privacy, cybersecurity, and financial stability, as well as appropriate regulation of banks and fintechs. Commissioner Johnson's breadth of expertise will serve the Administration and the Treasury Department very well.

For many years, I have worked to create a national discussion on diversity in financial services. Under my leadership as the first Black person and first woman to Chair the House Financial Services Committee, I established Congress' first-ever Subcommittee on Diversity and Inclusion and undertook historic oversight

designed to increase diversity in the industry at all levels. As noted by Treasury Secretary Yellen in the most recently released Office of Minority Women and Inclusion (OMWI) report, in order for Treasury to meet its critical mission it must aim “to build a workforce at all levels of the Department representative of the diversity of America and the people we serve”. In addition to her subject matter expertise, Commissioner Johnson will bring an invaluable perspective as a woman of color. By fostering diversity in leadership, we can strengthen the Department of Treasury and enhance its ability to address the complex economic challenges facing our nation.

I wholeheartedly recommend Commissioner Johnson for this important position. Thank you for your consideration.

Sincerely,

Representative Maxine Waters
Ranking Member

CC: The Honorable Patrick McHenry, Chairman, Committee on Financial Services