

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074  
MINORITY (202) 225-5051  
<https://oversight.house.gov>

April 27, 2023

Mary Colleen Daly  
President and Chief Executive Officer  
Federal Reserve Bank of San Francisco  
101 Market St  
San Francisco, CA 94105

Dear President Daly:

The Committee on Oversight and Accountability is investigating the role the Federal Reserve Bank of San Francisco (SF Fed) and other state and federal regulators played in the March 2023 failure of Silicon Valley Bank (SVB). SF Fed appears to have failed to adequately supervise SVB and respond to the bank's mismanagement, ultimately leading to SVB's seizure by federal regulators—the second largest bank failure in U.S. history—and threatening a panic in our banking system. We request documents and information related to the SF Fed's oversight of SVB.

The SF Fed reportedly filed at least six Matters Requiring Attention (MRA) or Matters Requiring Immediate Attention (MRIA) against SVB, citations meant to highlight issues of concern but which do not require action by the bank.<sup>1</sup> These warnings, dating back to at least November 2021, are not public<sup>2</sup> and reports outline that SVB was under full supervisory review by the SF Fed as early as July 2022.<sup>3</sup> Public documents show that SVB's assets and liabilities were not appropriately diversified to match the bank's growth<sup>4</sup> and regulators filing MRAs and MRIs may have been responding to knowledge that, at the end of 2022, almost 96 percent of deposits held at SVB were uninsured, making the bank susceptible to a run.<sup>5</sup> While the signs of significant and alarming risk were clear, no regulator used more severe tools, such as fines or consent orders, to require action from SVB.<sup>6</sup>

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<sup>1</sup> Jeanna Smialek, *Before Collapse of Silicon Valley Bank, the Fed Spotted Big Problems*, N.Y. TIMES (Mar. 19, 2023).

<sup>2</sup> Pete Schroeder, *Analysis: US bank supervision needs more speed, transparency in wake of SVB debacle, critics say*, REUTERS (Mar 30, 2023).

<sup>3</sup> *Supra*, n.1.

<sup>4</sup> SVB Financial Group. Annual Report on Form 10-K for the year ended December 31, 2022. (Feb. 24, 2023).

<sup>5</sup> Joshua Franklin, et al, *Uninsured Silicon Valley Bank depositors seek fire sale of assets*, FINANCIAL TIMES (Mar 12, 2023).

<sup>6</sup> *See, Id*; see also, Kathleen Pender, *What was the San Francisco Fed's role in SVB collapse?*, SAN FRANCISCO CHRONICLE (Mar. 27, 2023).

SVB CEO Greg Becker was elected to the SF Fed Board of Directors in January 2019 and served throughout the tenure of the rapid growth of SVB. During his term, SF Fed issued multiple MRAs and MRAs against the bank he managed.<sup>7</sup> SF Fed's light hand necessitates review as to whether your institution allowed business relationships or other issues to impact its enforcement of regulations established to secure our banking system and keep Americans' financial institutions safe and sound.

To assist the Committee in its investigation of SF Fed's oversight of SVB, please provide the following documents and information no later than May 11, 2023:

1. All examination or audit reports (including supporting documentation) and communications generated by SF Fed in relation to SVB, including but not limited to all Matters Requiring Attention, Matters Requiring Immediate Attention, hold-to-maturity and available-for-sale portfolios, and "run risk" scenario documentation, dated between January 1, 2019 and when this letter is processed;
2. A list of all individuals present at any discussions where elements of SF Fed's decision to issue warnings against SVB were discussed;
3. A list of all individuals who served as lead examiners on SF Fed examination teams tasked with overseeing SVB;
4. All minutes of the SF Fed Board meetings between January 1, 2019 to the present;
5. All communications between the SF Fed and the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Treasury Department or the White House related to SVB;
6. All correspondence – including letters, emails, electronic documents, and data – between and among SF Fed Board Members in which SVB was discussed between January 1, 2019 and the present; and
7. All communications between SF Fed and the Federal Reserve Board regarding heightened prudential standards permitted under Section 401 of the Economic Growth, Regulatory Relief and Consumer Protection Act (P.L. 115-174).

To make arrangements to deliver documents or ask any related follow-up questions, please contact Committee on Oversight and Accountability Majority Staff at (202) 225-5074. Attached are instructions for producing the documents and information to the Committee.

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<sup>7</sup> News Release, *Leadership and Membership Announcements for the Federal Reserve Bank of San Francisco's Board of Directors*, FEDERAL RESERVE BANK OF SAN FRANCISCO (Jan. 10, 2019), Federal Reserve Bank of San Francisco, San Francisco Board of Directors (Archived Jan. 22, 2022); *see also* Federal Reserve Bank of San Francisco, San Francisco Board of Directors (Archived Dec. 07, 2022).

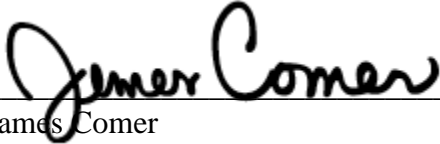
Ms. Mary Daly

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The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer  
Chairman  
Committee on Oversight & Accountability



Lisa McClain  
Chairwoman  
Subcommittee on Health Care and  
Financial Services

cc: The Honorable Jamie Raskin, Ranking Member  
Committee on Oversight & Accountability

The Honorable Katie Porter, Ranking Member  
Subcommittee on Health Care and Financial Services