

Carl Fornaris Discusses Incoming Administration Proposal to Consolidate U.S. Banking Regulators with *American Banker*

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Winston & Strawn Financial Services Practice Co-Chair Carl Fornaris spoke with *American Banker* about the Trump transition team's reported consideration of merging major U.S. banking regulators, including the proposed abolition of the Federal Deposit Insurance Corp. and the proposed absorption of its deposit insurance functions into the Treasury Department, and the feasibility of streamlining the federal bank regulatory agencies.

Although U.S. banks and lawmakers generally support the current system, this proposal is consistent with the Trump administration's Department of Government Efficiency and its goal to reduce the size of the federal government, eliminate inefficiencies, and potentially consolidate or eliminate certain regulatory bodies.

Given that any changes would require legislative approval, overhauling the system seems nearly impossible in a narrowly divided Congress, Carl stated.

"This has been something that's been floated every 10, 15 years or so, of trying to consolidate and make a single federal bank regulatory authority," Carl said. Right now, "you're stuck with a hodgepodge of acts of Congress that all quilted together based on historical precedent and based on political pressure and you would have to start to really rip that apart," he noted.

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