

Federal Reserve**Donald Trump says he is firing Federal Reserve governor Lisa Cook 'effective immediately'**

Policy maker says she 'will not resign' and vows to fight president's attack on central bank



Federal Reserve governor Lisa Cook at the central bank's Jackson Hole summit on Saturday. She said Donald Trump had 'no authority' to fire her © Jim Urquhart/Reuters

James Politi and **Claire Jones** in Washington

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Donald Trump said he was firing Federal Reserve governor Lisa Cook "effective immediately", in a stunning escalation of the US president's attacks on the central bank.

In a letter to Cook posted on social media on Monday night, [Trump](#) said there was "sufficient reason" to believe she had made false statements on mortgage agreements, giving him cause to fire her.

The president cited his powers under the constitution and US law to sack the official.

"The Federal Reserve Act provides that you may be removed, at my discretion, for cause," Trump wrote.

Cook said in a statement that she would not resign. "President Trump purported to fire me 'for cause' when no cause exists under the law, and he has no authority to do so," she said.

She added: "I will continue to carry out my duties to help the American economy as I have been doing since 2022." She will be represented by star lawyer Abbe Lowell, who has also had Jared Kushner and Hunter Biden as clients.

The president's move marked an extraordinary assault on the independence of the [Fed](#), which sets interest rates that act as a benchmark for trillions of dollars in assets worldwide.

The dollar weakened 0.07 per cent against a basket of its peers after Trump's letter was posted. Investors sold long-term US government bonds, pushing the 30-year Treasury yield up 0.04 percentage points to 4.93 per cent.

THE WHITE HOUSE
WASHINGTON

August 25, 2025

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The executive power of the United States is vested in me as President and, as President, I have a solemn duty to ensure that the laws of the United States are faithfully executed. I have determined that faithfully executing the law requires your immediate removal from office.

Thank you for your attention to this matter.

Ms. D. Cook
Member
Board of Governors
Federal Reserve System
1200 Constitution Avenue, N.W.
Washington, D.C. 20551

Governor Cook:

Pursuant to my authority under Article II of the Constitution of the United States and the Federal Reserve Act of 1913, as amended, you are hereby removed from your position on the Board of Governors of the Federal Reserve, effective immediately.

The Federal Reserve Act provides that you may be removed, at my discretion, for cause. U.S.C. § 242. I have determined that there is sufficient cause to remove you from your position.

As set forth in the Criminal Referral dated August 15, 2025, from Mr. William J. Pulte, Director of the Federal Housing Finance Agency, to Ms. Pamela Bondi, Attorney General of the United States ("Criminal Referral") (attached to this letter as Exhibit A), there is sufficient cause to believe you may have made false statements on one or more mortgage agreements. For example, as detailed in the Criminal Referral, you signed one document attesting that a property in Georgia would be your primary residence for the next year. Two weeks later, you signed another document for a property in Georgia stating that it would be your primary residence for the next year. It is inconceivable that you were not aware of your first commitment when you signed the second. It is impossible that you intended to honor both.

The Federal Reserve has tremendous responsibility for setting interest rates and supervising reserve and member banks. The American people must be able to have full confidence in the honesty of the members entrusted with setting policy and overseeing the Federal Reserve. In light of your deceitful and potentially criminal conduct in a financial matter, I cannot and I do not have such confidence in your integrity. At a minimum, the conduct at issue exhibits the sort of gross negligence in financial transactions that calls into question your competence and trustworthiness as a financial regulator.

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The move against Cook, the first Black woman to serve on the Fed's board of governors, follows months of attacks on the central bank's chair Jay Powell. It comes weeks after Trump [fired the head](#) of the Bureau of Labor Statistics in the wake of a weak jobs report that raised concerns about the health of the US economy.

Trump has sharply criticised Powell, calling him a "stubborn mule" for holding rates steady this year. The president also [publicly scolded](#) Powell when he visited the Fed's headquarters in July.

US presidents have sparred with the central bank since the institution gained independence from government in 1951, but the scale and vigour of Trump's blitz is without precedent.

"This is an extraordinary act of aggression that violates the Fed's independence," said Eswar Prasad, a professor at Cornell University. "Trump has now declared open war on the US institutional framework, which underpins the dollar's dominance in global finance."

Elizabeth Warren, the top Democrat on the Senate banking committee, called Trump's intervention "an authoritarian power grab that blatantly violates the Federal Reserve Act, and must be overturned in court".

Trump's previous threats to remove Powell from his post before his term as chair ends next May have been fiercely rejected by the central bank, which said the White House did not have the power to do so.

In an opinion unrelated to the central bank earlier this year, the Supreme Court said the US president [did not have the authority](#) to remove the Fed chair or other governors.

"President Trump has taken to social media to once again 'fire by tweet'," said Lowell, adding that Trump's "reflex to bully is flawed and his demands lack any proper process, basis or legal authority".

"We will take whatever actions are needed to prevent his attempted illegal action," Lowell said.

The stand-off between the White House and the Fed comes as US central bankers are [weighing an interest rate cut](#) as early as next month.

Cook's removal would pave the way for Trump to select a replacement governor more amenable to rate cuts. It would be his second opportunity in weeks, after Adriana Kugler announced [plans to leave the central bank](#) months before her term was set to end in January.

Trump [nominated Stephen Miran](#), a close ally and architect of his administration's unorthodox economic policies, to take Kugler's seat.

Should Trump obtain a majority of allies on the seven-member board, he would also be in a position to fire the heads of the 12 regional Federal Reserves.

The Fed declined to comment.

Legal scholars believe the administration would have to show there was cause to fire Cook by winning a case in court that proved that she committed mortgage fraud, and that this constituted gross malfeasance.

Bill Pulte, a Trump ally and head of the Federal Housing Finance Agency, last week alleged that Cook had "falsified bank documents and property records to acquire more favourable loan terms" in 2021, before she was nominated to the Fed board.

Pulte alleged Cook had declared in financial documents that two homes bought within weeks of each other would both be her primary residence.

Cook has not been charged with any crime, but Trump demanded that she resign in the wake of the claims and the justice department called on Powell last week to [remove her from her post](#).

Cook, who was nominated by Trump's predecessor Joe Biden in 2022, has said she was "gathering the accurate information to answer any legitimate questions and provide the facts". Her term as a Fed governor is due to finish in 2038.