

FEDERAL RESERVE GOVERNOR

## Administration appeals ruling on firing



Federal Reserve Gov. Lisa Cook speaks during a conversation with leaders from organizations that include nonprofits, small businesses, manufacturing, supply chain management, the hospitality industry and the housing and education sectors at the Federal Reserve building in September 2022 in Washington. MANUEL BALCE CENETA — ASSOCIATED PRESS FILE

BY LINDSAY WHITEHURST

THE ASSOCIATED PRESS

WASHINGTON>> President Donald Trump's administration on Wednesday appealed a ruling blocking him from firing Federal Reserve Gov. Lisa Cook as he seeks more control over the traditionally independent board.

The notice of appeal came hours after U.S. District Judge Jia Cobb handed down the ruling. The White House has insisted Trump, a Republican, has the right to fire Cook over over allegations raised by one of his appointees that she committed mortgage fraud related to two properties she bought before she joined the Fed.

The case could soon reach the Supreme Court, where the conservative majority has allowed Trump to fire several board members of other independent agencies but has suggested that power has limitations at the Federal Reserve.

Cook's lawyers have argued that firing her was unlawful because presidents can only fire Fed governors for cause, which has typically meant poor job performance or misconduct. The judge found the president's removal power is limited to actions taken during a governor's time in office.

Cook is accused of saying that both her properties, in Michigan and Georgia, were primary residences, which could have resulted in lower down payments and mortgage rates. Her lawsuit denied the allegations without providing details. Her attorneys said she should have gotten a chance to respond to them before getting fired.

Trump has repeatedly attacked Fed Chair Jerome Powell for not cutting the short-term interest rate the Fed controls more quickly. If Trump can replace Cook, he may be able to gain a 4-3 majority on the Fed's governing board.

No president has sought to fire a Fed governor before. Economists prefer independent central banks because they can do unpopular things like lifting interest rates to combat inflation more easily than elected officials can.

Cook is set to participate in a Fed meeting next week. The meeting is expected to reduce its key short-term rate by a quarter-point to between 4% and 4.25%.