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August 26, 2026

VIA E-MAIL

David Warrington, Esq.
White House Counsel
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Re: Response by Governor Lisa D. Cook to August 5, 2026, Notice of Potential Removal

Dear Mr. Warrington:

As counsel to Federal Reserve Board Governor Lisa D. Cook, I write in response to Deputy Chief of Staff Dan Scavino's letter dated August 5, 2026 (the "Letter"), informing Governor Cook that the President is considering removing her from the Federal Reserve Board of Governors. In attempting to describe the purported "cause" that would enable the President to remove Governor Cook under the Federal Reserve Act, 12 U.S.C. § 242, the Letter exclusively relies on untried and unproven allegations of criminal wrongdoing set forth in a referral to the Department of Justice (the "Referral") submitted by William J. Pulte, Director of the Federal Housing Finance Agency, on August 15, 2025.[1] Governor Cook has never committed mortgage fraud or any intentional wrongdoing, and there is no legally cognizable cause for removing her from the Federal Reserve Board.

On November 17, 2025, I sent a letter with exhibits to then-Attorney General Pam Bondi and then-Special Attorney for Mortgage Fraud Edward R. Martin, Jr., addressing the allegations in Director Pulte's Referral.[2] I will not repeat all that is contained in that November communication but will refer to those exhibits where appropriate to again demonstrate that the year-old allegations against Governor Cook, now revived in the Letter, remain unfounded and untrue. In addition, I

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[1] On August 28, 2025, Director Pulte posted on X that he sent the Department of Justice a second criminal referral concerning Governor Cook. *See* Dan Mangan, *Trump housing director Pulte lodges new criminal referral for Fed Governor Lisa Cook*, CNBC (Aug. 28, 2025), https://www.cnbc.com/2025/08/29/lisa-cook-pulte-criminal-mortgage.html. Director Pulte appears to have deleted that X post, however, and the Letter makes no reference to this second referral. In any event, the second referral, like the first, is incomplete and error-ridden—a conclusion that even Director Pulte now appears to recognize.

[2] *See* Response by Governor Lisa D. Cook to FHFA Criminal Referrals (Nov. 17, 2025), https://www.documentcloud.org/documents/26284564-letter-from-attorney-to-lisa-cook/ (the "November letter").

am attaching a declaration from an expert in mortgage regulation and finance, Professor Kathleen C. Engel. Her declaration further confirms that the Letter and Referral fail to establish any intentional wrongdoing by Governor Cook, or that she benefited from the classification of either property as a "primary" residence.

Attempting to terminate Governor Cook on the basis of Director Pulte's Referral would ignore the facts and the law. The Letter describes two acts by Governor Cook that, "taken together," supposedly constitute grounds for her removal.[3] But neither of those acts shows intentional wrongdoing or amounts to a crime, and neither constitutes "cause" under the Federal Reserve Act. The Letter describes that Governor Cook signed a mortgage agreement classifying an Atlanta, Georgia condominium as her "primary" residence, even though she had previously signed a mortgage agreement classifying an Ann Arbor, Michigan home as her "primary" residence. And the Letter further contends that Governor Cook listed the Atlanta property for rent approximately fourteen months after signing the mortgage, even though "rental properties typically require the owner to enter into an investment/rental property mortgage," and "despite the fact that [she] never disclosed rental income in [her] financial disclosures for calendar years 2022 and 2023."[4]

This response addresses each allegation in turn. First, Governor Cook's signing of a "primary" mortgage agreement—provided to her by the lender—was an entirely inadvertent oversight. The process for seeking financing for the Atlanta condominium, as pointed out in my November letter (Ex. F), began with Governor Cook using the lender's website to seek information about a "vacation home" mortgage—a clear indication of the loan type she was looking to acquire. The lender, which previously worked with Governor Cook to refinance her Massachusetts property earlier that year, knew that she had lived in Michigan for more than 15 years and worked full-time as a tenured professor at Michigan State University. Governor Cook gave no indication that she was leaving to take any new job in Atlanta. The other exhibits provided in my November letter, which describe the properties, show that Governor Cook regularly indicated her "primary residence" or "permanent residence" to be Michigan. (Exs. A, B). Similarly, in those same submissions, Governor Cook confirmed that her Atlanta property was a "2nd Home." Governor Cook's actions demonstrate that there was no intentional misconduct and zero intent to defraud or mislead. Contrary to the Letter's assertion, no jury would find otherwise.

Moreover, because the Atlanta mortgage was never sold to Fannie Mae or Freddie Mac, whether to ultimately classify it as "primary" or "secondary" was within the discretion of the lender. The FHFA guidelines do not govern mortgages held in private hands. The fact that the Fannie Mae and Freddie Mac Seller Guides specify the meaning of occupancy status and the requirements for each status has no bearing on loans not held in their portfolio. All the information Governor Cook provided concerning her Michigan residence and employment indicated that she did not intend to make her Atlanta condominium her principal residence,[5] and that her signing a form to the contrary was an inadvertent oversight, not an intentional act of wrongdoing, let alone

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[3] Letter from the White House to Federal Reserve Governor Lisa Cook at 2 (Aug. 5, 2026).

[4] *Id.*

[5] Furthermore, Director Pulte's August 2025 Referral relies on two mortgage agreements which do not even use the word "primary," but rather classify occupancy status as "principal." Different documents use the same concept differently with different purposes or definitions.

a violation of criminal law. Further, despite an inference to the contrary, neither the Letter nor Director Pulte's Referral declares that Governor Cook actually received a preferential interest rate on any property. It is not common practice for lenders to provide borrowers with a rate sheet or worksheet that reveals how the borrower's rate was calculated for a particular loan product, as that information is proprietary. As Professor Engel's declaration explains, "[n]either security instrument" contained in the Referral, "considered alone or together, establishes either lender's underwriting criteria or actual reliance on any particular representation, or whether Dr. Cook obtained a financial benefit from the occupancy covenant." Expert Decl. ¶ 12.

Second, the Letter's allegation that the Atlanta rental listing is further proof of wrongdoing is based on a completely flawed premise. The reason Governor Cook never disclosed rental income from the Atlanta residence is because she *never rented* that residence, even though she would have been within her rights to do so. Neither Governor Cook's mortgage agreement nor her condominium association agreement prevented her from renting her Atlanta property. And though Governor Cook briefly listed the property for rent, she ultimately decided not to rent it. Consequently, the sum of the Letter's two allegations, "taken together," provides no lawful basis for attempting to remove her.[6] The pre-office conduct at issue, all of which took place in Governor Cook's private capacity, was not fraudulent or criminal in any form, nor a basis for the President attempting to remove her.

The President should know firsthand that listing two properties as a "primary" residence does not show intentional wrongdoing or demonstrate "unfit[ness] for office."[7] In 1993, President Trump reportedly acquired "primary" residence mortgages for two different Florida homes just seven weeks apart.[8] For each home, President Trump apparently signed a form attesting that he would occupy the property as his principal residence within 60 days and live there for at least a year.[9] In reality, however, *neither property* was President Trump's primary residence. He lived in New York and reportedly listed both Florida properties for rent.[10] Surely the President does not believe himself "unfit for office" because he signed these contradictory "primary" mortgage documents.

The conduct of others in this Administration further undercuts any notion that the allegations against Governor Cook are grounds for removal. According to reports, Treasury Secretary Scott Bessent and Attorney General Todd Blanche have both entered into "primary" residence mortgages for multiple homes. Bloomberg has reported that in 2007, Secretary Bessent acquired mortgages for two separate homes, one in New York and another in Massachusetts, that classified each as his "primary" residence.[11] In reaching to connect the allegation regarding Governor Cook's private, pre-office conduct to her actual job, the Letter states that entering two

[6] Letter from the White House to Federal Reserve Governor Lisa Cook at 2.

[7] *Id.*

[8] *See* Justin Elliott et al., *Trump's Own Mortgages Match His Description of Mortgage Fraud, Records Reveal*, ProPublica (Dec. 8, 2025), https://www.propublica.org/article/trump-mortgage-fraud-florida-principal-residences.

[9] *Id.*

[10] *Id.*

[11] *See* Anthony Cormier & Zachary R. Mider, *Bessent, Like Fed Governor, Made Contradictory Mortgage Pledges*, Bloomberg (Sept. 17, 2025), https://www.bloomberg.com/news/articles/2025-09-17/bessent-like-fed-governor-made-contradictory-mortgage-pledges.

"primary" mortgages "calls into question [one's] competence and trustworthiness as a financial regulator."[12] Yet as the head of the Department of the Treasury, Secretary Bessent is the "chief financial officer of the Government"[13] and is responsible for "managing the U.S. Government's finances."[14] President Trump has neither fired the Secretary nor asked him to resign, seemingly understanding that Secretary Bessent's actions do not disqualify him or cast doubt on his "competence and trustworthiness as a financial regulator."

In 2020, Attorney General Blanche also reportedly took out two mortgages, but "neither of the homes were specified as second homes or other kinds of properties."[15] And *ProPublica* has reported that at least *three* other current and former members of the President's cabinet—Sean Duffy, Lee Zeldin, and Lori Chavez-DeRemer—have similarly held two primary mortgages at the same time.[16] In response to that report, the White House explained that "[t]he bank, not [Secretary Duffy], determined and classified both mortgages as primary residences."[17] As with Governor Cook's mortgage, that is what banks do. In evaluating each of these cases, the details of which have been public for nearly a year, the President has not fired any of these officials nor asked them to resign. He seemingly understands that signing two "primary" mortgage forms does not constitute an intentional act of wrongdoing or "call[] into question [one's] competence and trustworthiness."[18]

An inadvertent oversight is not fraudulent or criminal. At all times, Governor Cook provided information about her residence in Michigan, how long she had lived there, her more than 15 years of ongoing employment at Michigan State University, and her finances. Moreover, contrary to one of the grounds for removal cited in the Letter, Governor Cook never rented her Atlanta property in 2022 or 2023, even though her mortgage and condominium association agreement permitted her to do so. The Supreme Court has established that "cause" is a "substantial threshold" that "must reflect the Federal Reserve's unique historical status and role." *Trump v. Cook*, 146 S. Ct. 2234, 2249 (2026). Governor Cook's apparent mistake on a form provided to her by her lender, which was aware of her other residences, was unintentional, not criminal, and

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[12] Letter from the White House to Federal Reserve Governor Lisa Cook at 2.

[13] U.S. Department of the Treasury: Duties and Functions FAQS, https://home.treasury.gov/subfooter/faqs/duties-and-functions-faqs (last accessed Aug. 24, 2026).

[14] U.S. Department of the Treasury: Scott Bessent, Secretary of the Treasury, https://home.treasury.gov/about/general-information/officials/scott-bessent (last accessed Aug. 24, 2026).

[15] *See* Rachel Siegel & Aaron Schaffer, *Trump targets enemies using mortgage records, a threat to D.C. elite*, Wash. Post (Oct. 24, 2025), https://www.washingtonpost.com/business/2025/10/24/washington-politicians-mortgage-scrutiny-trump/?_pml=1.

[16] *See* Robert Faturechi et al., *Trump Is Accusing Foes With Multiple Mortgages of Fraud. Records Show 3 of His Cabinet Members Have Them.*, ProPublica (Sept. 4, 2025), https://www.propublica.org/article/trump-cabinet-mortgage-fraud.

[17] *Id.*

[18] Letter from the White House to Federal Reserve Governor Lisa Cook at 2. Director Pulte, shortly after making his Referral, stated, "[i]f somebody is claiming two primary residences, that is not appropriate, and we will refer it for criminal investigation." Transcript of *Erin Burnett OutFront*, CNN (Sept. 18, 2025), https://transcripts.cnn.com/show/ebo/date/2025-09-18/segment/01. He further added, "[d]o not declare two principal residences in President Trump's America." William Pulte (@pulte), X, (Aug. 20, 2025, 9:26 AM), https://x.com/pulte/status/1958158594374873358. You will know that Director Pulte has made no public referrals against President Trump himself nor any of his cabinet members referred to in this response.

occurred in her private capacity before she took office. As Professor Engel's declaration states, "no banking or mortgage professional can reliably conclude [from the Letter and Referral] that Dr. Cook acted with an intent to deceive." Expert Decl. ¶ 17. The President clearly recognizes that making such a mistake does not render a person—not himself nor the *five* members of his cabinet—unfit for office. Attempting to remove Governor Cook on the basis of these allegations of pre-office conduct would be "corrosive of the independence that Congress sought to preserve," *id.* at 2250, and would fall woefully short of the standard that the Supreme Court has set. And doing so selectively would raise troubling questions about why President Trump is singling out Governor Cook.

We would be glad to answer any further questions as to why there is no legitimate basis for removing Governor Cook from her position on the Board of Governors.

Sincerely,

Abbe David Lowell
Counsel for Governor Lisa D. Cook

Declaration

DECLARATION OF KATHLEEN C. ENGEL

I, Kathleen C. Engel, declare as follows:

Background

1. I am over 18 years of age and competent to make this declaration, which is based on my professional knowledge, training, experience, and review of the materials identified below.
2. I am a Research Professor of Law at Suffolk University Law School, where I have been employed since August 2009.
3. I have 27 years of experience on mortgage finance and regulation, subprime and predatory lending, consumer credit, and housing and credit discrimination. I have advised numerous federal and state agencies on various matters related to financing of loans. I have served on the boards of directors of Consumer Reports, the International Association of Consumer Law, and the National Association of Consumer Advocates. I have also held appointed positions on the Consumer Advisory Board of the Consumer Financial Protection Bureau and the Federal Reserve Board of Governors' Consumer Advisory Council. I have taught courses on consumer credit, comparative consumer financial regulation, and the financial crisis. I have presented my research in academic, banking, and policy forums across the United States and internationally. My publications include a 2011 book published by Oxford University Press, *The Subprime Virus: Reckless Credit, Regulatory Failure and Next Steps* (with Prof. Pat McCoy), as well as articles in Harvard Business Law Review, Harvard Journal of Law and Public Policy, Harvard Journal of Legislation, Texas Law Review, Washington University Law Quarterly, Fordham Law Review, The Journal of Economics and Business, and Housing Policy Debate.
4. In the course of my professional work, I have reviewed many hundreds of residential mortgage security instruments, promissory notes, Uniform Residential Loan Applications and related application materials, occupancy certifications, loan estimates, closing disclosures, underwriting records, loan-pricing materials, rider documents, and servicing and default records.
5. I have been asked to provide opinions regarding allegations against Federal Reserve Board Governor Lisa D. Cook contained in an August 15, 2025 criminal referral from William J. Pulte, Director of the Federal Housing Finance Agency, to Attorney General Pamela J. Bondi and Edward R. Martin, Jr., including attachments (the "Pulte Referral"); and an August 5, 2026 letter from Daniel Scavino to Dr. Cook (the "Scavino Letter"). My opinions are confined to those materials. I have not been asked to, and do not, offer an opinion concerning any fact or allegation not appearing within those materials.

6. The Pulte Referral and Scavino Letter principally rely on substantially similar occupancy covenants included in a June 23, 2021, Michigan Security Instrument and a July 2, 2021, Georgia Security Deed, each apparently signed by Dr. Cook as the borrower.

6. Section 6 of the Michigan Security Instrument and Section 6 of the Georgia Security Deed provide, using identical language:

> "Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control."

Opinions

7. In residential mortgage lending and underwriting, the Section 6 provisions are contractual occupancy covenants in recorded security instruments. The footer of the Michigan Security Instrument reads, "MICHIGAN—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT." The footer of the Georgia instrument similarly identifies itself as "GEORGIA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT." Standardized instruments like these contain broadly applicable form covenants. The use of such boilerplate language in the two separate security instruments does not reflect the full underwriting basis, loan product, pricing, or lender decision-making for either transaction.

8. Section 6 of the Michigan Security Instrument is a covenant to occupy the Michigan property. Section 8, by contrast, concerns whether "during the loan application process," materially false, misleading, or inaccurate information was provided to the lender. The Georgia Security Deed contains the same distinction.

9. Additionally, the Section 6 covenant in each instrument is expressly qualified. In both, the stated one-year occupancy obligation is subject to a lender's written agreement, which "shall not be unreasonably withheld," and to "extenuating circumstances … beyond Borrower's control." Therefore, even as a contractual matter, the language does not state an unqualified or immutable requirement that is incapable of later lender-approved modification or exception.

10. Neither security instrument identifies the loan's interest rate, annual percentage rate, pricing adjustment, loan-program designation, loan-to-value ratio, debt-to-income ratio, down payment, reserve requirement, underwriting decision, or any other term needed to determine whether an occupancy designation affected the loan's pricing or approval. Additionally, neither the Pulte Referral nor the Scavino Letter identifies any evidence of the information that each lender used in determining either loan's pricing or approval.

11. Neither security instrument states that the loan received an interest rate or other terms more favorable than those Dr. Cook would have received under another occupancy classification. Neither contains a calculation showing that Dr. Cook received an interest-rate reduction, a reduced fee, a more favorable loan term, or any other specific economic benefit because the property was described as a principal residence. Additionally, neither the Pulte Referral nor the Scavino Letter identifies any evidence that the loan received an interest rate or other terms more favorable than those under another occupancy classification.

12. Neither security instrument, considered alone or together, establishes either lender's underwriting criteria or actual reliance on any representation, or whether Dr. Cook obtained a financial benefit from the occupancy covenant. Additionally, neither the Pulte Referral nor the Scavino Letter identifies any evidence of reliance or that Dr. Cook obtained a financial benefit from the occupancy covenant.

13. The assertions in the Pulte Referral and Scavino Letter that the two loans "could have received favorable loan terms" or that the two loans benefited Dr. Cook by lowering interest rates cannot be established by the two security instruments.

14. The Pulte Referral describes the two instruments as requiring the borrower to use each property as a principal residence "for a year following the mortgage agreement." The actual Section 6 wording differs in a material respect: it measures the one-year period from "the date of occupancy," not from the date of execution of the security instrument. The materials reviewed do not identify the date on which occupancy of either property began. Therefore, based on these materials, the operative one-year period for either Section 6 covenant is indeterminable.

15. The Pulte Referral states that the Atlanta property was listed for rent in September 2022. Assuming that assertion is accurate, September 2022 is more than one year after both June 18, 2021, and July 2, 2021, the dates of the respective security instruments.

16. On the record limited to the materials I reviewed, no banking or mortgage professional can reliably conclude that:
    a. either loan was priced more favorably because of occupancy status;
    b. either lender relied on an allegedly false occupancy representation;
    c. either lender was deprived of material information;
    d. any alleged discrepancy was material to either lender's decision; or
    f. that Dr. Cook acted with an intent to deceive.

17. Therefore, the two Section 6 provisions are insufficient to establish that the loans failed to comply with the lender's requirements, that either lender granted favorable loan terms because of a false statement, or that either transaction involved mortgage fraud.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

/s/ Kathleen C. Engel
Kathleen C. Engel
August 26, 2026