



Trump v. Cook and For-Cause Removal of Federal Reserve Governors

July 6, 2026

On June 29, 2026, the Supreme Court issued its opinion in *Trump v. Cook* addressing the scope of a [statute limiting the President’s ability to remove](#) members of the Federal Reserve System Board of Governors only for “cause.” The case, which arose on the Court’s “[interim docket](#),” stems from President Donald Trump’s [attempt to remove](#) Federal Reserve Board member Lisa Cook for cause, based on [allegations](#) that she had engaged in mortgage fraud prior to taking office. In a 5-4 ruling, the Court held that the for-cause removal protections applicable to Federal Reserve governors are [constitutional](#) and require the President to provide a governor with [notice and a hearing](#) before a removal can be effective. The Court [declined to stay](#) a preliminary injunction imposed by lower courts, allowing Cook to continue in her office while she challenges her removal.

This Legal Sidebar first provides a brief procedural history of *Cook*. It then summarizes the Court’s opinion, as well as two concurring and three dissenting opinions. It concludes with several considerations for Congress, including the interplay between *Cook* and *Trump v. Slaughter*, a different case issued the same day (discussed in a [separate Legal Sidebar](#)), in which the Court held different statutory for-cause removal protections were unconstitutional.

Procedural History

Under [the Federal Reserve Act](#), Federal Reserve Board members shall “hold office for a term of fourteen years . . . unless sooner removed for cause by the President.” On August 25, 2025, in response to [allegations of mortgage fraud](#) set forth in a letter from Federal Housing Finance Agency Director William Pulte to then-Attorney General Pam Bondi, President Trump [notified](#) Cook that he had “determined that faithfully executing the law require[d] [her] immediate removal from office.” As discussed in the [Legal Sidebar on Slaughter](#), President Trump [has asserted](#) that the removal of certain executive officials may at times be necessary for the President to fulfill his constitutional duty to “take Care” that federal laws are faithfully executed. Cook [challenged the removal](#) by suing the President and the Federal Reserve Board in the U.S. District Court for the District of Columbia, arguing that the President [failed to identify](#) a legally sufficient cause for her removal and [failed to provide](#) her adequate notice and an opportunity to present her defense. She also [sought a temporary restraining order](#) to prevent her removal while she pursued her legal challenge. The government [did not challenge](#) the constitutionality of the “for cause” removal

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provision, instead arguing that the President had sufficient cause for Cook's removal. On September 9, 2025, the district court [granted](#) Cook a preliminary injunction. In so doing, the [district court ruled](#) that Cook "made a strong showing that her purported removal was done in violation of the Federal Reserve Act's 'for cause' provision," as that provision did "not contemplate removing an individual purely for conduct that occurred before they began in office." The court [further held](#) that the removal "also likely violated Cook's procedural rights under the Fifth Amendment's Due Process Clause."

The government [appealed](#) the preliminary injunction to the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit), asking that court to *stay*—or suspend—the district court's ruling and allow Cook to be removed from office. A three-judge [D.C. Circuit panel denied](#) the government's motion on September 15, 2025. In a concurring opinion, [two judges agreed](#) with the district court that Cook was "likely to succeed on two of her claims: her substantive, statutory claim that she was removed without 'cause' in violation of the Federal Reserve Act . . . and her procedural claim that she did not receive sufficient process prior to her removal in violation of the Due Process Clause of the Fifth Amendment." A third judge [dissented](#) from the D.C. Circuit's order, asserting that the district court had erred in finding both that pre-appointment conduct could not give rise to cause for removal and that Cook's due process rights were likely violated.

The government [then applied](#) to the Supreme Court for a stay of the district court's preliminary injunction. On June 29, 2026, the Court [released its opinion](#) denying the government's application for a stay by a 5-4 vote.

The Court's Opinion

Chief Justice John Roberts wrote [the majority opinion](#), joined by Justices Sonia Sotomayor, Elena Kagan, Brett Kavanaugh, and Ketanji Brown Jackson. The Court considered whether the government had demonstrated that it was likely to succeed on the merits (one of several factors necessary to warrant a stay), [concluding that it had not](#). In so doing, the Court examined and rejected a number of arguments raised by the government and the dissenting Justices, holding that (1) [courts could review](#) the President's removal of Cook for cause and order that she remain in office during that review; (2) [Cook did not receive](#) the notice and opportunity for a hearing required by the Federal Reserve Act; and (3) the Federal Reserve Act's removal protections [are constitutional](#).

Reviewability of For-Cause Removals

Although the government [argued](#) that "the President's determination of 'cause' is wholly unreviewable" and committed to the President alone, the Court did not read the Federal Reserve Act as giving the President such authority. Instead, while [acknowledging](#) that only the President could decide whether to remove a Federal Reserve governor, the Court held that the President could not do so "for any reason, or no reason," noting that Congress had not authorized removals at will or explicitly precluded judicial review.

Next, the [Court considered](#) what would qualify as "cause" for removal under the Federal Reserve Act. The [Court weighed](#) and rejected both the government's asserted definition of "cause" as including "any concern the President may have about a person's 'conduct, ability, fitness, or competence'" and Cook's assertion that "cause" is essentially a shorthand for the "inefficiency, neglect of duty, malfeasance, or ineligibility" standard used in other statutes. The Court [viewed](#) the government's definition as "too lenient" and Cook's as "too stringent" but, given the preliminary posture of the case, [declined](#) to "fully demarcate the contours" of the term. The Court [concluded](#), however, that "cause" under the Federal Reserve Act "must reflect the Federal Reserve's unique historical status and role." This context, the majority reasoned, counseled for a "substantial threshold" that "will depend, at least in part, on the seriousness of the alleged misconduct, and the extent of any nexus" to a governor's duties.

The Court **also considered** the permissibility of the district court's remedy and whether federal courts had equitable authority to direct that Cook remain in office during the litigation of her case. The government **argued** that, even if Cook's claim had merit, any remedy—likely backpay—would have to wait for the end of litigation. The Court disagreed, **holding** that courts could “order that a removed Governor remain in office during the pendency of litigation if the Governor is otherwise entitled to a preliminary injunction.” To rule otherwise, the Court **decided**, would “significantly interfere with the independence of the Federal Reserve.”

Notice and Hearing

Having determined that a federal court could review the validity of Cook's removal and had the authority to order that she remain in office during that review, the Court **announced** that it could resolve the case “on narrow grounds.” Regardless of what may constitute sufficient cause for removal, the Court **reasoned** that “the President failed to afford Cook the procedural protections to which she was entitled by statute.” Citing prior Court **precedent**, the majority opinion **reiterated** the “essential” rule that an officer with a fixed term of office must receive notice and a hearing prior to their removal. This rule does not, in the **Court's view**, entitle Cook to a trial-like hearing or a face-to-face meeting with the President, but it does require “minimum process,” perhaps “on written materials only,” that allows Cook the opportunity to submit argument and evidence rebutting the charges made against her. (The Court also **rejected** the government's “halfhearted[]” argument that Cook actually received due process.)

Constitutionality of Removal Protections

After considering and rejecting the government's arguments, the **Court turned** to a final argument raised by Justice Clarence Thomas in dissent: that the for-cause removal protections applicable to Federal Reserve governors (which the government had not challenged in this case) were unconstitutional. The Court **emphasized** the history of the First and Second National Banks, which the Court **described** as reflecting the Founders' belief that “monetary policy should not be subject to political interference.” Established by the First Congress, the First National Bank of the United States, owned in part by the federal government but run by directors accountable only to private stockholders, was **charged** with maintaining a sound national currency. The Second Bank of the United States had **similar** functions and independence. The Court **upheld** the constitutionality of the Federal Reserve Act's for-cause removal protections because, in the Court's view, the Federal Reserve Bank “follows this lineage” and reflects “‘the balance struck by the founding generation’ under ‘modern circumstances.’”

As for why it considered the constitutionality of the for-cause protections when the government didn't challenge it, the Court **explained** that not doing so “[i]n this extraordinary case” would “leave the public in limbo” and “sow doubt as to the status of one of our Nation's (and the world's) most important financial institutions.”

In conclusion, the **Court denied** the government's application but emphasized that the Court had “not addressed the facts, as they have yet to be found or analyzed under the relevant legal standards.” “[T]he ultimate question of whether the President can remove Cook for cause,” the Court **explained**, will depend on the adjudication of those facts in the lower courts.

Concurrences

Justices Kavanaugh and Jackson each filed a concurring opinion. Justice Kavanaugh addressed two issues: First, he **reiterated** that the majority “does not decide whether the President may lawfully remove Governor Cook for cause,” instead “simply settl[ing] some of the legal and procedural ground rules” for the case. Second, he **highlighted** that the government “expressly ‘acknowledge[d]’ and did ‘not disput[e]’” the constitutionality of the statutory removal protections for Federal Reserve governors, “even

as the Government simultaneously (and successfully) argued,” in *Slaughter*, “that the for-cause removal protections for most independent agencies violate Article II.” On that point, Justice Kavanaugh agreed with the other Justices in the Cook majority that it was appropriate to decide the question of “whether the Federal Reserve can remain an independent agency in the wake of *Slaughter*.” **In his view**, there is “no good reason here to unsettle a critical constitutional question that has long been settled and that should remain settled.”

Justice Jackson **wrote separately** to explain that, in addition to fully joining the majority opinion, she would also find that the government had not identified any irreparable harm to warrant a stay of the preliminary injunction. **In her view**, “the Government has not identified any injury whatsoever beyond the harm that a President purportedly suffers when a Governor . . . exercises power ‘over [his] objection.’” This assertion, **she opined**, “does not amount to the sort of tangible harm that warrants” a stay, nor would it overcome the potential injury resulting from threats to the Federal Reserve’s independence, as “the public’s interest is not served if the President can intimidate members of the Federal Reserve into doing his bidding.”

Dissents

Justices Thomas, Samuel Alito (joined by Justice Neil Gorsuch), and Amy Coney Barrett each filed a dissenting opinion. In his dissent, Justice Thomas **responded** to each of the majority opinion’s arguments, disagreeing with the majority’s analysis of the removal standard for Federal Reserve governors, the majority’s conclusions regarding the scope of federal courts’ equitable powers, and its characterization of the Federal Reserve’s place in the historical tradition. **In his view**, Cook’s alleged mortgage fraud was sufficient cause for her removal because the Federal Reserve Act’s for-cause protection provided only a “weak[] . . . removal protection . . . requir[ing] nothing more than what the plain meaning suggests—a cause.” As for the validity of the for-cause removal protections, Justice Thomas either would have **declined to reach** that issue or **would have applied** *Slaughter* and invalidated the for-cause removal protections.

Justice Alito’s dissent focused on the procedural posture of the case. He **would have held** that the lower court erred and would have granted the stay, **chastising** the Court for “issue[ing] a full-length opinion that purports to resolve many complicated and novel legal questions on an undeveloped record.”

Justice Barrett **also objected to** the Court’s choice “to answer a series of difficult merits questions, most of which were not addressed by the D.C. Circuit below or almost any other court.” **In her view**, “the constitutional status of the Federal Reserve,” including its governors’ removal protections, “is entirely outside the scope of this case.” “Even assuming that the Court is right on the merits,” **she continued**, “the issue warrants much more than a few paragraphs” to better address the history of the national banks and the “serious tension” with the Court’s decision in *Slaughter*.

Considerations for Congress

On its face, *Cook* essentially preserves the status quo prior to President Trump’s attempt to remove Cook: it upholds the Federal Reserve Act’s for-cause removal protections, and it allows Cook to remain in office while she challenges her removal. When read together with *Slaughter*, however, *Cook* stands as the only exception, at this time, to *Slaughter*’s **general rule** that the President must be able to remove high-level executive officers at will. In *Slaughter*, the Court **noted** open questions regarding whether Congress could create removal protections for officials outside “the heartland of executive power,” and it identified the Federal Reserve as an example of an agency that may have a “unique role” because it exercised “functions traditionally handled outside the Executive Branch.” *Slaughter* also **reserved judgment** on “the permissibility of tenure protections for the judges of ‘non-Article III courts,’ such as the Tax Court and Court of Federal Claims,” or officers who perform other “functions traditionally handled outside the

Executive Branch.” Together, *Cook* and *Slaughter* suggest that in evaluating the permissibility of removal protections for other officials, the Court might look to Founding-era analogues that provide historical precedent justifying independence. The Court in *Slaughter* specifically cited “early Congresses’ (and early Presidents’) ‘contemporaneous legislative exposition’ of the Executive’s constitutional role” as relevant in its future analyses of for-cause protections, mirroring its reliance in *Cook* on the history of the First and Second Banks of the United States.

Apart from its interplay with *Slaughter*, *Cook* appears to clarify that courts can sometimes “order that a removed [officer] remain in office during the pendency of litigation.” In addition to *Cook*, this issue has arisen in a number of cases during President Trump’s second term with varying results. For example:

- In an earlier stage of litigation in *Slaughter*, the Court granted, without written explanation, the government’s application for a stay, blocking a lower court ruling that allowed Rebecca Slaughter to continue in office as a Federal Trade Commission (FTC) commissioner while challenging her removal. (As discussed above, the Court ultimately struck down the for-cause removal protections for FTC commissioners.)
- In *Trump v. Wilcox*, the Court considered challenges brought by National Labor Relations Board member Gwynne Wilcox and Merit Systems Protection Board member Cathy Harris to their removals by President Trump. The Court ruled that the government, in those cases, “is likely to show that both the NLRB and MSPB exercise considerable executive power” and faced “greater risk of harm from an order allowing a removed officer to continue exercising the executive power than a wrongfully removed officer faces from being unable to perform her statutory duty.” It granted the government’s application for a stay of orders allowing Wilcox and Harris to continue to serve “to avoid the disruptive effect of the repeated removal and reinstatement of officials during the pendency of litigation.”
- In *Perlmutter v. Blanche*, the Court denied the government’s application for a stay, permitting a lower court’s order, which allowed Shira Perlmutter to continue to serve as Register of Copyrights while challenging her removal, to remain in effect. The Court noted that its denial “is not a ruling on the merits of the legal issues presented in the litigation.”

The Court in *Cook* explained that a court may order that an officer remain in office “if the [officer] is otherwise entitled to a preliminary injunction.” In other words, if an officer demonstrates, among other factors, that they are likely to succeed on the merits of their challenge (i.e., that their removal was likely unlawful), a court can allow the officer to continue in office during litigation. This ruling clarifies what remedies are available when lower courts consider challenges to removals.

Finally, *Cook* highlights several areas where Congress could, if it wishes, clarify or change the degree of control the President exercises over Federal Reserve governors. Several of the Court’s holdings turned on interpretations of various Federal Reserve Act provisions, including the meaning of “cause” and the statutory process owed to *Cook*. While the lower courts, on remand, appear likely to further weigh in on these questions, Congress could amend the Federal Reserve Act in various ways if it disagrees with the Court’s decision in *Cook* or wishes to provide additional guidance to courts. For example, Congress could, as it has in other statutes, delineate specific causes warranting removal, such as “inefficiency, neglect of duty, or malfeasance” (provided such causes are consistent with the Federal Reserve’s “unique historical status and role”). Conversely, Congress could remove the “for cause” protection if it believes the President should exercise greater control. Similarly, Congress could specify procedural requirements for removal, such as what procedures a hearing must follow or, if it disagrees with *Cook*, whether a hearing is required at all.

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