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CAPITAL CURRENTS

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EDWARD JONES ON THE HILL

EDWARD JONES BANK GETS REGULATORY GREEN LIGHT: A MILESTONE FOR CLIENTS AND POLICY WATCHERS

What Happened: Last month, Edward Jones received conditional approval from the Federal Deposit Insurance Corporation (FDIC) and the Utah Department of Financial Institutions (UDFI) to establish Edward Jones Bank, marking a major step in how the firm will be able to serve clients' financial needs. This approval caps a nearly six-year journey. After navigating complex regulatory environments, Edward Jones will now be positioned to expand banking and investment solutions nationwide and is expected to open in early 2027, headquartered near Salt Lake City, Utah.

Regulatory Implications: FDIC Chair **Travis Hill** highlighted the Industrial Loan Company (ILC) charter last year as a potential tool to encourage the creation of new banks. This is the first ILC charter application approved in over a decade, signaling a more friendly environment for community banks.

What This Does: In addition to expanding the products and services Edward Jones can offer clients, this development will create new opportunities in Washington to shape policy conversations, build partnerships and advocate for priorities that support clients and the broader financial system.

ABOVE THE FOLD

FEDERAL RESERVE LEADERSHIP TRANSITION DELAYED

The Big Picture: While President Trump nominated Kevin Warsh in January 2026 to replace current Federal Reserve Chairman Jerome Powell, the nomination process is facing numerous political and procedural delays.

State of Play: Powell has said he will remain in place until the Department of Justice (DOJ) completes its probe into his June 2025 testimony on the renovation of the Federal Reserve's headquarters, effectively postponing any leadership transition. A federal judge recently dismissed related subpoenas as being politically motivated, and a DOJ official has indicated there is no evidence of Powell committing any wrongdoing. In addition, the Senate Committee on Banking, Housing, and Urban Affairs must approve Warsh's nomination, and a majority of the full Senate must vote in favor of the nomination before Warsh can be confirmed. A key member of that committee, Senator Thom Tillis, (R-N.C.), has vowed to block Warsh's confirmation until the DOJ matter is fully resolved.

THE FED CHAIR GRIDLOCK: WHY POWELL STAYS IN POWER

THE POLITICAL GRIDLOCK
- TILLIS BLOCKADE
- RAZOR-THIN COMMITTEE MATH
- DEMOCRATIC CALLS FOR DELAY

THE GOVERNANCE SAFEGUARD
- THE DEFAULT SETTING
- CONTINUITY OF LEADERSHIP
- PREVENTING A POWER VACUUM

Where Things Stand: Senate Republicans are eager to get Warsh's nomination across the finish line as soon as possible. A date has not yet been set for the nomination, but it could come as early as late April, while they await the conclusion of the DOJ investigation. In the meantime, Powell can continue serving as acting chair until a successor is confirmed and may remain on the Board of the Federal Reserve through 2028.

Why it matters: Powell's decision to stay, combined with Senate resistance to confirming Warsh until the DOJ issue is resolved, leaves Warsh's nomination in limbo at a crucial moment for monetary policy. The next chair will inherit sticky inflation, slowing growth and geopolitical volatility.

What's Next: Until the DOJ probe concludes and the Senate acts, the Fed's leadership transition remains stalled. That leaves policymakers and markets navigating a prolonged period of ambiguity around who will ultimately steer the central bank — and how aggressively.

BELOW THE FOLD

Top Capitol Hill-focused headlines you may have missed this month

PATH TO END DHS SHUTDOWN COMES INTO FOCUS

What Happened: President Trump and Congressional Republican leaders have laid out a path for ending the record-setting nearly 60 day shutdown of the Department of Homeland Security (DHS).

State of play: After President Trump called for funding U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) before June 1, Senate Majority Leader John Thune and House Speaker Mike Johnson announced a dual-track strategy for funding DHS. The expected plan is to fund all DHS agencies, with the exception of ICE and CBP, through the appropriations process, similar to a bill that passed the Senate with bipartisan support last week. Separately, ICE and CBP would be funded for three years (the rest of the Trump administration) through the reconciliation process, a procedural maneuver that allows legislation to move through the Senate without the support of Democrats.

Pressure Points: Some Republicans are voicing skepticism about this plan. There are questions about which bill would move first, and some lawmakers don't support the idea of separating DHS funding into two different bills.

What's Next: Lawmakers aren't scheduled to return to session until mid-April. Reconciliation is a multistep process, and several questions will have to be resolved, including whether the bill will be limited to ICE and CBP funding, or if other GOP priorities could be tacked on.

BIPARTISAN HOUSING BILL FACES HEADWINDS AFTER SENATE PASSAGE

What happened: The Senate overwhelmingly passed the 21st Century ROAD to Housing Act in March, targeting the nationwide housing shortage through development incentives, reduced regulatory barriers and restrictions on corporate investors.

The catch: The Senate bill must be reconciled with a housing bill that passed the House of Representatives in February, the Housing for the 21st Century Act, which diverges on a number of key issues.

Roadblocks: House Speaker Mike Johnson has signaled the two chambers may need to meet in a formal conference to resolve disagreements between the two bills. The Senate bill faces significant opposition from the House Freedom Caucus, a group of far-right conservative legislators. President Trump has backed the legislation, but with caveats, and is staying quiet.

Takeaways: The housing bill poses a significant opportunity for bipartisan legislation to become law this year, affecting future homeowners and addressing concerns about affordability. But differences between the Senate and the House, and the fact that President Trump has not made this issue a top priority, are significant challenges that could sink the entire effort.

What's Next: Lawmakers will need to reconcile competing provisions, either through informal negotiations or a formal conference committee.

THE IRAN CONFLICT CONTINUES

The Latest: As the war against Iran continues, global energy markets remain significantly impacted and investor confidence continues to decrease.

Pressure Points: The conflict has removed as many as 20 million barrels of oil per day from global supply, driving energy costs sharply higher. Oil price spikes are feeding directly into domestic inflation concerns. A prolonged conflict could deepen the damage to supply chains and trade routes that American businesses depend on.

What's Next: There are conflicting accounts about discussions to end the conflict, with tense diplomatic talks underway between the US, Israel, Iran, and other regional actors. President Trump has signaled openness to a final deal while also threatening to escalate the conflict. He has also said he is considering pulling the United States out of NATO after the conflict ends, due to the group's refusal to help the U.S. during this conflict. However, this would require Senate approval.

Looking Forward: April brings showers — and tax season. We'll be tracking all the tax changes tied to the One Big Beautiful Bill, retirement planning updates under SECURE 2.0, signals from the Federal Reserve and what's next for the CFPB and so much more! Stay tuned.

Edward Jones