



Written by [Paul Dragu](#) on August 26, 2025

Trump's Feud With Fed Intensifies as Fired Board Member Refuses to Leave

President Donald Trump is embroiled in a multi-front battle with the Federal Reserve, America's central bank. The latest episode includes Federal Reserve Governor Lisa Cook's refusal to leave her position.

On Monday, Trump announced that he "removed" Cook over allegations of mortgage fraud. In his letter announcing the move, Trump cited the Federal Reserve Act's clause that says the president can fire a board member "for cause," defined as misconduct or malfeasance.



AP Images
Lisa Cook

You're Fired

Director of the Federal Housing Finance Agency Bill Pulte reportedly provided fuel for the allegations that Cook committed mortgage fraud. He referred the case to the Justice Department. [According](#) to *The New York Times*, Pulte alleges that:

Ms. Cook had committed mortgage fraud, alleging that she improperly designated both a condominium in Atlanta and a home in Ann Arbor, Mich., as her primary residence when taking out loans. In doing so, Mr. Pulte said, Ms. Cook had "falsified bank documents and property records" in a way that allowed her to obtain a lower interest rate.

Trump's letter also indicates that Cook has been referred for criminal misconduct. He said:

There is sufficient reason to believe you may have made false statements on one or more mortgage agreements.... In light of your deceitful and potentially criminal conduct in a financial matter ... 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.

The letter emphasizes the "tremendous responsibility" the central bank has for setting interest rates and regulating banks.

Donald Trump Truth Social Post 08:02 PM EST 08/25/25

President Trump officially relieves Lisa Cook of her position at the Federal Reserve
pic.twitter.com/gOPeNdWE0N



Written by [Paul Dragu](#) on August 26, 2025

— Fan Donald J. Trump Posts From Truth Social (@TrumpDailyPosts) [August 26, 2025](#)

No, I'm Not

Cook has denied the accusations and is not, as of now, facing any charges of mortgage fraud. She has also refused to be fired, which would be unprecedented. She followed the president's announcement on Monday with her own statement:

President Trump purported to fire me "for cause" when no cause exists under the law, and he has no authority to do so. I will not resign. I will continue to carry out my duties to help the American economy as I have been doing since 2022.

Cook's lawyer Abbe Lowell issued a statement indicating this feud has the potential to turn into a legal brawl. He said:

President Trump has once again taken to social media to "fire by tweet" and once again his 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.

Many suggest this duel has the potential to end up in federal court.

Trump vs. Powell

The Senate confirmed Cook in 2022. Members of the Fed Board of Governors serve 14 years. Many see Trump's attempt to get rid of Cook as part of his larger goal to have the national interest rates lowered. The president has lambasted Fed Chair Jerome Powell for months over his refusal to lower rates. Powell believes that rates should stay high because inflation hasn't dropped to two percent. Trump has vehemently disagreed with Powell's stance, which he believes is political, not economic.

Trump and many of his advocates, including in the punditry realm, believe Powell's real motivation in keeping interest rates high is to keep the economy from exploding with growth, which would benefit the GOP in the 2026 midterms as well as the 2028 election. "Firing Cook will clear the path for Trump to appoint a MAGA acolyte who can help him assert control over the institution," the *Daily Mail* [reported](#).

End the Fed

Instead of battling an institution that has never done the American people any favors, perhaps the president should support legislation proposed by Representative Thomas Massie (R-Ky.) back in March. Massie, whom Trump is actively working to primary out of Congress next year, [introduced the Federal Reserve Board Abolition Act](#). The bill would repeal the Federal Reserve Act, the 1913 law that created the Federal Reserve System. Senator Mike Lee (R-Utah) sponsored a companion bill, S. 869, in the Senate.

Massie blames the Fed for "crippling inflation" that harms the finances of everyday Americans. "During COVID, the Federal Reserve created trillions of dollars out of thin air and loaned it to the Treasury Department to enable unprecedented deficit spending," Massie said in a [statement](#) announcing the legislation, adding that "by monetizing the debt, the Federal Reserve devalued the dollar and enabled free money policies that caused high inflation." Moreover:

Monetizing debt is a closely coordinated effort between the Federal Reserve, Treasury



Written by [Paul Dragu](#) on August 26, 2025

Department, Congress, Big Banks, and Wall Street. Through this process, retirees see their savings evaporate due to the actions of a central bank pursuing inflationary policies that benefit the wealthy and connected. If we really want to reduce inflation, the most effective policy is to end the Federal Reserve.

Senator Lee piled on, pointing out the Fed's disastrous impact:

The Federal Reserve has not only failed to achieve its mandate, it has become an economic manipulator, directly contributing to the financial instability many Americans face today. We need to protect our economic future, end the monetization of federal debt that fuels unchecked federal spending, and put American money on solid ground. We need to End the Fed.

Massie's bill has several co-sponsors, including Representatives Andy Biggs (R-Ariz.), Lauren Boebert (R-Colo.), Eric Burlison (R-Mo.), Kat Cammack (R-Fla.), Michael Cloud (R-Texas), Eli Crane (R-Ariz), Marjorie Taylor Greene (R-Ga.), Harriet Hageman (R-Wy.), Scott Perry (R-Pa.), and Chip Roy (R-Texas).

Fed Influence

The Federal Reserve remains one of the most influential U.S. institutions. But most Americans don't realize its massive impact in our lives. As author and economist Thomas DiLorenzo wrote in the [March 14 print issue of *The New American*](#), "Most Americans have little or no idea what 'the Fed' is or does, despite the fact that, ever since its creation in 1913, it has had monopolistic control over the money supply in the country and regulated virtually every type of financial transaction."

America's first central bank was the Bank of the United States (BUS). The BUS accomplished what the Fed has. "It inflated the currency, causing 72-percent price inflation from 1791 to 1796, and continued to do so for the next 15 years," DiLorenzo noted. Congress wisely refused to renew its 20-year charter with the BUS. President Andrew Jackson vetoed an attempt to renew the BUS in 1832. He wrote in his veto message to Congress that central banks "make the rich richer and the potent more powerful.... The humble members of society ... who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their government."

Eight decades later, the Fed was created by an act of Congress after a collection of international bankers met in secret on Georgia's Jekyll Island to strategize a way to succeed where previous attempts at a central bank failed. According to G. Edward Griffin's book *The Creature From Jekyll Island: A Second Look at the Federal Reserve*, the Fed came about after international bankers and financiers, including representatives of the Morgan, Rockefeller, and Rothschild families, designed a central bank to consolidate control over the American financial system.

Fed Folly

Advocates of a central bank argued that establishing the Fed would help prevent major financial crises, combat inflation and stabilize the U.S. economy. Within years of its creation, the country suffered the worst financial crisis in its history, the Great Depression. Also, it has significantly exacerbated inflation. As DiLorenzo pointed out:

The dollar has depreciated tremendously since the Fed's founding in 1913, despite the fact that the Fed is supposed to be an inflation fighter. A typical market basket of consumer



Written by [Paul Dragu](#) on August 26, 2025

goods that cost \$108 in 1913 would cost \$2,422 today, thanks to decades of Fed-generated price inflation. The highest rates of price inflation in America's history have occurred under the Fed's watch.

Instead of trying to curb the Fed's harmful impact by tweaking its personnel, Trump should support Massie's legislation to abolish this monstrosity once and for all. While it's unlikely he will do so, this feud nevertheless presents an opportunity for Americans who truly understand the the Fed's detrimental impact to help others understand as well, and to grow the End the Fed movement. A handful of people should not have this much power over the finances of 340 million Americans.



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.