

Trump Targets Fed Over Costly HQ Renovation Plans

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President Donald Trump is ratcheting up pressure on Federal Reserve Chair Jerome Powell by targeting the Fed's \$2.5 billion renovation of its Washington headquarters, alleging possible violations of federal planning rules and excessive spending. The move adds yet another front to Trump's persistent push to either force Powell to slash interest rates or step down from his role.

On Thursday, OMB Director Russell Vought sent a letter to Powell denouncing the renovation as "ostentatious," highlighting possible violations of the National Capital

Planning Act by including features such as rooftop terraces, private dining rooms, and marble finishes items Powell previously claimed had been removed from the plan. Though Powell has said many of those items have already been cut from the project, Vought insisted the renovations are excessive and misleadingly described.

Trump has publicly called for Powell's resignation, labeling him a "numbskull" and claiming he misled Congress, an unusual demand given the Fed chair's protected independence, though current law allows removal only "for cause." Trump argues that lowering interest rates is necessary to make borrowing cheaper for Americans and to help the government manage its growing debt. Powell, however, has resisted these demands, warning that cutting rates too quickly could reignite inflation.

Trump also appointed allies James Blair and Will Scharf to the National Capital Planning Commission, which oversees federal development in D.C., and WH officials say they will review prior and current renovation approvals. In addition, FHFA Director Bill Pulte publicly accused Powell of misleading Congress about the plan's scope and called for a possible investigation into removal "for cause."

Despite the mounting attacks, Powell has largely stayed above the fray, refusing to directly engage in political arguments. While some financial experts agree the renovation costs should be reviewed, many caution that undermining the Fed's independence could damage the country's economic stability and public trust.

As the clash escalates, the fight over an ornate renovation has become a symbol of a much deeper struggle over the Federal Reserve's future and its freedom from political influence.

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