



FedFin Daily Briefing

Thursday, July 30, 2020

LR Relief Faces Higher Hurdles

Last night, HFSC Chairwoman Waters (D-CA) [issued a blistering statement](#) slamming efforts by Sen. Crapo (R-ID) to add leverage relief to the Senate COVID package. As we [noted](#) yesterday, Senate Democrats have already fired warning shots against Tier 1 leverage-ratio relief, with both statements appearing also to oppose the changes to the community-bank leverage ratio also sought by Sen. Crapo. Calling leverage relief unconscionable and slamming big banks, Chairman Waters makes it still more clear that Democrats will oppose these measures and make them high-profile differences should Majority Leader McConnell (R-KY) get his COVID-relief package back on track.

Recent Files Available for Downloading

The following reports and analyses have been sent to retainer clients recently. Copies are also available to retainer clients on the Archives section of Federal Financial Analytics' website: www.fedfin.com or clients may obtain the reports/analyses by e-mailing requests@fedfin.com giving the requested item name, firm, and e-mail address. To learn more about GSE Activity Reports, click: http://www.fedfin.com/index.php?option=com_content&view=article&id=18&Itemid=18

- [CONSUMER35](#): As in yesterday's Senate Banking hearing ([see Client Report CONSUMER34](#)), today's marathon HFSC session with CFPB Director Kraninger was highly contentious.
- [GSE-073020](#): Fannie Mae's and Freddie Mac's 2Q earnings statements reveal for the first time that FHFA on June 17 imposed a new liquidity regime akin in some respects to the banking agencies' LCR and never-finalized NSFR along with various other liquidity and resiliency standards for GSIBs.
- [CONSUMER34](#): As expected, Democrats led by Ranking Member Brown (D-OH) sharply criticized CFPB Director Kraninger at the contentious Senate Banking hearing, citing a lack of enforcement actions and pandemic measures on [credit reporting](#) and mortgage forbearance.
- [GSE-072720](#): In recent in-depth analyses, we assessed the OCC's new valid-when-made doctrine and its latest proposal to define who is deemed a "true lender."
- [PREEMPT34](#): As promised by Acting Comptroller Brooks, the OCC has quickly followed up its controversial valid-when-made rule with a proposal defining "true lender" to facilitate the partnerships between banking organizations and other financial companies sometimes called "rent-a-bank" charters.
- [GREEN3](#): Building on its 2017 [climate-change disclosure work](#), the FSB issued what it describes as a "stocktake" – i.e., a survey combined with next steps – in this increasingly critical area.

- [**GSE-071720:**](#) A new Federal Reserve Bank of New York staff paper sheds timely light on the impact of foreclosure-mitigation efforts on long-term housing markets and household wealth.
- [**SBA39:**](#) In this report, we assess the financial policy implications of the wide-ranging House Small Business Committee hearing with Treasury Secretary Mnuchin and SBA Administrator Carranza.
- [**MORTGAGE117:**](#) In this report, we assess the HFSC Oversight and Investigations Subcommittee hearing on mortgage servicing.
- [**GSE-071520:**](#) FSOC has officially begun the activity-and-practice designation of the secondary-mortgage market foreshadowed [in FSOC's annual report](#).
- [**TBTF23:**](#) Moving cautiously to assess the extent to which large banks are no longer too big to fail (TBTF), the FSB has gone beyond a request for comment to a somewhat more specific solution that may lead to policy actions not yet spelled out for public comment in this report.
- [**COVEREDFUNDS2:**](#) The banking agencies, SEC, and CFTC have finalized a long-awaited, complex, and comprehensive proposal rolling back many of the restrictions on covered funds imposed in the 2013 rules implementing the Volcker Rule provisions of the Dodd-Frank Act.
- [**GSE-070720:**](#) In the final version of “Volcker 2.0,” the FRB, FDIC, OCC, SEC, and CFTC finalized a massive, controversial rewrite of the rules governing the funds which U.S. banks and foreign banks doing business here may hold, own, sponsor, or otherwise serve and even market across an array of asset classes.
- [**DERIVATIVES36:**](#) Reflecting strong industry pressure and growing concerns about market structure, the banking agencies have joined others with which they share jurisdiction to finalize proposed revisions reducing the capital cost of the 2015 margin rule for non-cleared derivatives.