



FedFin Daily Briefing

Wednesday, February 10, 2021

SEC Demands Short Turn-Around on MMF Reform

The *Federal Register* [today](#) includes the SEC's request for comment on MMF reform options highlighted in the President's Working Group Report ([see Client Report MMF16](#)). Comment is now due April 12. Although the SEC does not commit itself to action immediately after receiving all the comments sure to flood it, we expect MMF reform to be a top SEC, FRB, and FSOC priority once the Biden team takes charge. As noted in our in-depth report, the PWG's options outlined generally contemplate quick U.S. action independent of ongoing global efforts to reform the sector although the U.S. will work hard to ensure global changes comport with U.S. objectives.

CFPB Increases Focus on Protecting Mortgage Borrowers, Renters

CFPB Acting Director Uejio [today](#) published another blog post detailing policy changes, expanding on his [prior discussion of housing insecurity](#) to emphasize that the Bureau will also target resources to reach struggling homeowners in delinquency or at risk of foreclosure and renters at risk of eviction to ensure that they know their rights. Mr. Uejio does not say what this entails beyond outreach and new social media, but it suggests that the CFPB will make it clear to consumers that the end of forbearance need not necessarily lead to costly mortgage payments, foreclosure, or eviction. The agency previously prioritized mortgage servicing as a regulatory arena; this post suggests it will also be an enforcement focus. The Bureau is also reprioritizing how it handles consumer complaints, with Acting Director Uejio saying that some companies have failed properly to respond and that there are disparities in response rates for some companies on complaints from minorities. Underscoring the CFPB's expectation that companies not only provide responses but that they also be substantive, it will issue a public report detailing companies with a poor track record and Mr. Uejio will personally contact senior leadership.

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 info@fedfin.com giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- [REALESTATE24](#): Continuing the OCC's recent actions to expand national-bank powers into unprecedented arenas, the OCC has now proposed major liberalization of the ways in which federally-chartered organizations may use commercial real estate owned as bank premises.
- [GSE-020121](#): While it will take time for the swamped Biden Administration to craft U.S. housing policy, elements of it emerged last week during stimulus negotiations, the [President's statement](#), and [HUD-nominee Fudge's appearance](#) before Senate Banking.
- [CAPITAL227](#): Although the FRB in its proposal indicated that this rulemaking would also begin consideration of the U.S. large-bank capital framework post-COVID, its final rule largely confines itself to aligning stress-test standards with the 2019 tailoring rule and stress capital buffer (SCB) for Category IV banking organizations.

- **[GSE-012221](#)**: The failure of yet another Administration and Congress to conquer the conservatorships does not augur well for constructive policy action anytime soon.
- **[INVESTOR14](#)**: In this report, we expand on prior forecasts to assess broad financial-regulatory and structure issues under the SEC's jurisdiction under what seems likely: a Chairman Gensler. His will be an activist SEC, one sure to throw broker-dealers, asset managers, and investment funds from the relative comfort of the last four years.
- **[GSE-012121](#)**: As forecast following a landmark CFTC-committee [report](#) and the Fed's financial-stability assessment, [FHFA has now](#) turned to the climate risk that worries them the most: residential real estate.
- **[GSE-011521](#)**: Last night, Treasury and FHFA [announced](#) an agreement on the GSEs' conservatorship unsatisfactory to all concerned and highly objectionable to many of those on the Hill with the power to change it.
- **[GSE-011321](#)**: Setting Senate Banking's [agenda yesterday](#), incoming Chairman Brown highlighted refi inequality as a top committee priority.
- **[CRYPTO17](#)**: This interpretive letter (IL) follows an OCC advance notice of proposed rulemaking that suggested a notice-and-comment process before the agency made substantive changes to the digital-currency powers of federally-chartered banks.
- **[AML133](#)**: In a cliff-hanger before the end of the 116th Congress, the National Defense Authorization Act was enacted into law with an array of provisions significantly revising U.S. anti-money laundering (AML) and countering the financing of terrorism (CFT) requirements.
- **[ELECTION25](#)**: It will take considerable time for Congress to absorb the meaning of yesterday's insurrection not only in institutional terms, but also and more immediately with regard to each Member's thinking about his or her own policy and political agenda.
- **[TMARKET](#)**: As we noted earlier ([see Client Report REFORM200](#)), we do not expect U.S. regulators to extend SLR relief ([see FSM Report LEVERAGE23](#)) after its scheduled March expiration.