



# *FedFin Daily Briefing*

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Tuesday, February 23, 2021

## **Peirce Rejects Calls for Post-GameStop Regulation**

In [remarks](#) released yesterday, SEC Commissioner Hester Peirce deferred GameStop discussion until more facts are in hand, but urged that this case not lead to what she deems to be regulatory excess. While it is clear that digital trading has changed market dynamics, she noted that investors have long been prone to high-risk bets which Commission rules and investor education already address. “Technological turbocharging” is thus not to be curtailed, but rather enhanced to increase the investor base and promote capital formation. Commissioner Peirce also opposes rules to limit the way online brokerages promote investing (what is often derided as gamification), arguing that this principally protects legacy firms which should instead fend for themselves. In contrast to global regulators ([see Client Report FINTECH24](#)), Commissioner Peirce strongly supports it, stating it promises democratization, open access, and transparency and even systemic resilience after some “rough patches” are behind it.

## **CFPB Delays QM Compliance, Retains Patch**

The CFPB [today](#) indicated it will soon issue a rulemaking delaying mandatory compliance with the General QM Rule ([see FSM Report MORTGAGE116](#)), now set for July 1. The QM patch will also be left in place until a new final date is set. The Bureau did not indicate how long the delay will be but lenders may use either the current or final QM standard for applications received between March 1 and the delayed compliance date.

## **Recent Files Available for Downloading**

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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](http://www.fedfin.com) or clients may obtain the reports/analyses by e-mailing [info@fedfin.com](mailto:info@fedfin.com) giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- [FEDERALRESERVE60](#): As usual, Senate Banking’s hearing today with Chairman Powell strayed from monetary policy and post-pandemic prospects to a range of financial-policy critical questions.
- [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 116<sup>th</sup> 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.