



FedFin Daily Briefing

Monday, September 20, 2021

HFSC Dems Lay Out CFPB Data-Ownership Priorities

Ahead of the HFSC FinTech Task Force consumer-data hearing tomorrow, majority staff's [memo](#) indicates the session is only an update on recent developments such as President Biden's Executive Order ([see Client Report MERGER6](#)) urging the CFPB to expedite its consumer-data ownership ANPR ([see FSM Report DATA](#)). Regulatory structure, screen scraping, APIs, open banking, and international data sharing are on the agenda. No legislation is noted, and witnesses are subject experts, not officials. Still, we will provide clients with an in-depth analysis of the hearing, which is sure to have considerable impact on a top-priority CFPB action item with far-reaching financial-sector implications.

Gensler Stands by SOFR

SEC Chairman Gary Gensler [today](#) reiterated that he has and will raise objections to LIBOR alternatives that fail to meet his standards for market liquidity and rate-setter objectivity. As we [anticipated](#), this perspective weighed heavily on IOSCO's recent benchmarked-replacement policy, with Mr. Gensler now going on to tell the Fed's Alternative Reference Rates Committee that BSBY is an unsuitable benchmark that should not be an approved SOFR alternative. The Fed is likely to agree with him, using the discretion afforded in pending LIBOR-transition legislation ([see FSM Report LIBOR6](#)) only for SOFR-related rates and raising concerns for any new contracts relying on BSBY.

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](#).

- [PUSH-OUT14](#): As [we noted](#), SEC Chairman Gensler's written Senate Banking [testimony](#) included a short – but very significant – statement prioritizing Commission review of key fixed-income market sectors.
- [GSE-091621](#): As [we noted](#), FHFA wasted no time after the [PSPA revision](#) with its proposed changes to GSE capital [regulation](#).
- [GSE-091521](#): As noted [yesterday](#), Treasury and the FHFA pulled the Trump PSPA's plug, although importantly and widely overlooked is that this is true only when it comes to near-term asset-purchase considerations.
- [INVESTOR18](#): As is often the case, Senate Banking's hearing today with SEC Chairman Gensler did not touch on the fixed-income structure questions highlighted in his [written testimony](#) even though these could be among the most consequential for long-term capital-market regulation and the balance between the Fed and SEC in this key arena.
- [GSE-091021](#): Soaring house prices have of course aroused lofty housing-bubble worries.
- [GSE-090821](#): As Karen Petrou's [Monday memo](#) forecast, FHFA is doubling down on an already-ambitious work plan to make Fannie and Freddie the epitome of mortgage-finance equity.

- **[SMBUS27](#)**: Turning again to a provision in the 2010 Dodd-Frank Act, the Bureau of Consumer Financial Protection has issued a sweeping proposal to implement small-business and small-farm lending disclosure requirements akin to those long required under the Home Mortgage Disclosure Act (HMDA).
- **[GSE-090121](#)**: A [major paper](#) delivered at last week's Jackson Hole Fed meeting shows – we think conclusively – that it's not demographics that keep interest rates so, so low, but wealth inequality.
- **[OVERDRAFT10](#)**: Senior Senate Democrats have proposed legislation that would sharply restrict most transaction-account overdraft fees to the point of likely eliminating them for most consumers at most depository institutions.
- **[GREEN10](#)**: House Democrats are considering legislation to mandate a punitive capital construct for bank and, in some cases, also to certain nonbank exposures to companies with fossil-fuel links.
- **[GREEN9](#)**: Legislation from House and Senate Democrats would force the Federal Reserve quickly to implement mandatory stress testing for all large banking organizations and large nonbanks judged by asset size if they are principally engaged in finance.
- **[GSE-090121](#)**: A [major paper](#) delivered at last week's Jackson Hole Fed meeting shows – we think conclusively – that it's not demographics that keep interest rates so, so low, but wealth inequality.
- **[GSE-082321](#)**: In this in-depth report, we build on our [preliminary analysis](#) of the CFPB's latest HMDA-data assessment. As we noted on Thursday, the agency chose to highlight its totally-unsurprising finding that the mortgage market was hot, hot, hot in 2020.
- **[ACCESS3](#)**: Although states and localities continue to ban merchants from refusing to accept cash, federal legislation is also pending to create a nationwide ban on such practices and govern how cash must be accepted to enhance equality without facilitating money laundering.
- **[GSE-081821](#)**: As we anticipated when Sandra Thompson [took over](#), FHFA's [newly-proposed approach](#) to the GSEs' affordable-housing goals tackles longstanding criticism that the old measurement criteria promoted gentrification.
- **[PREEMPT38](#)**: The chairmen of the Senate Armed Services and Banking Committees, together with many Democratic colleagues, have introduced legislation to extend the interest-rate ceilings in the Military Lending Act (MLA) to all consumers.