



Friday, November 5, 2021

## Flood Gates Open on CFPB Bigtech Policy

The *Federal Register* today includes the CFPB's notice regarding its [bigtech orders](#), with comment now due December 6. The short comment deadline reflects the speed with which the Bureau is pursuing bigtech data; the October 21 orders require companies to submit data by December 15. Direct Chopra reinforced not just the urgency of this effort, but also its reach. He then indicated that the agency's priorities include risk stemming from P2P payments growth, bigtech payment-data use and behavioral targeting, restricted access for bigtech competitors, and bigtech's potential to take over the U.S. dollar and global payment flow ([see Client Report CONSUMER37](#)). Comments are invited on all aspects of order. Although no specific questions are asked, we expect the Bureau to receive a deluge of views sure to influence not just its actions, but also Congressional response in response and on related bigtech legislation such as new antitrust proposals.

## Markey, Merkley Bill Seeks End to Big Bank Brown Finance

Sens. Markey (D-MA) and Merkley (D-OR) have introduced [legislation](#) to force the FRB to mandate that banks with greater than \$50 billion in assets and all nonbank SIFIs submit plans describing how they will cut their financing for fossil fuel emissions by fifty percent by 2030 and then do so completely by 2050. These banks would also have to discontinue new or expanded fossil fuel projects by 2023, with all fossil fuel project financing prohibited by 2030. Emissions financing would also be added to the list of criteria for nonbank SIFI designation. A House companion was introduced by sixteen Democrats earlier this year. Although the legislation will not pass the Senate, it continues Democrats' push for bank regulators to constrain bank "brown" activities. As noted, [Chair Powell said](#) this is outside the Fed's ambit absent statutory change.

## 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](#).

- **CRYPTO21**: As [noted yesterday](#), the President's Working Group on Financial Markets (PWG) was joined by the OCC and FDIC yesterday issuing a report calling for prompt Congressional action to regulate stablecoins and, even in its absence, also for fast action by federal regulators and the FSOC.
- **GSE-102821**: FHFA is [proposing](#) a new disclosure regime designed to bring Fannie and Freddie into the public marketplace in a fashion analogous to large U.S. banks.
- **CONSUMER37**: As anticipated, HFSC's hearing today with CFPB Director Chopra skidded over a wide range of policy issues.
- **GSE-102721**: After years of enforcement inactivity, the OCC has [issued a tough set of restrictions](#) against one of the increasingly few large mortgage servicers still willing to be a banks.
- **GREEN11**: As we [noted yesterday](#), the Financial Stability Oversight Council has now complied with President Biden's executive order ([see FSM Report GREEN8](#)), compiling an exhaustive [assessment](#) of the financial-stability implications of climate risk and what might best be done about it.

- **[CBDC9](#)**: Shortly after the BIS and a group of central banks endorsed a construct for retail-facing central-bank digital currency (CBDC), the Group of Seven (G7) finance ministerial issued these public-policy principles to establish a still broader framework for future action
- **[SANCTION15](#)**: Today's Senate Banking hearing with Treasury Deputy Secretary Wally Adeyemo showed bipartisan concern that the Administration is failing to implement sanctions required by law, especially when it comes to China, North Korea, and Russia.
- **[MMF18](#)**: Global regulators have now finalized a framework on which national regulators may base the reforms they deemed necessary after the pandemic sparked profound disruptions in this sector.
- **[CRYPTO20](#)**: Responding to requests from the G7, G20, and FSB, this report addresses market-infrastructure considerations related to systemically-important stablecoins that do not involve multi-currency baskets (e.g., Facebook's Diem).
- **[GSE-101221](#)**: Although the majority of FHA ARMs are now LIBOR-linked, HUD has been waiting for Congress, the Fed, or forces on high to help it set a new benchmark.
- **[MERGER8](#)**: Progressive Democrats in the House and Senate have introduced legislation demanding an array of new decision factors governing bank M&A transactions and new or even revised BHC activities.
- **[INVESTOR19](#)**: As [anticipated](#), today's HFSC hearing with SEC Chair Gensler covered the full SEC agenda, although members steered clear of the SEC investigation demanded by Sen. Warren (D-MA) into recent Fed trading.
- **[CBDC8](#)**: As we [noted](#) last week, the BIS and seven major central banks have advanced global CBDC policy with three new reports evaluating key design features.
- **[GSE-093021a](#)**: Now that we have FHFA's comment deadline – November 26 – we expand our [initial analysis](#) of FHFA's capital rewrite into a more detailed assessment of its strategic impact.
- **[REFORM209](#)**: In very sharp contrast to the Senate Banking session on Tuesday with Chairman Powell and Secretary Yellen ([see Client Report REFORM208](#)), today's HFSC session was largely devoted to partisan wrangling over monetary policy, the debt ceiling, and the Biden Administration's overall fiscal policy.