



# FedFin Daily Briefing

Friday, January 28, 2022

## Toomey Raises New Objections to Fed Slate

Adding to his objections to Fed nominees other than [Mr. Powell](#), Senate Banking Ranking Member Toomey (R-PA) [today](#) cited missing paperwork. Adopting a testy tone, Sen. Toomey suggested that the panel could not "believe" the nominees' representations about their expertise because their filings were missing until complaints about omissions led to amended questionnaires. This is, he said, "shoddy compliance" showing a "lack of respect for Congress." The bulk of the omissions are from Ms. Bloom Raskin and Professor Cook, with those singled out by Sen. Toomey arguably containing statements to which senators – or at least Republicans – are likely to object. We do not think these accusations alter the partisan divide these nominees must conquer for confirmation, but they certainly indicate Sen. Toomey's determination to rally all Republicans to give the Democrats the most challenging road possible to final action.

## Board Advances Longstanding DIHC/Insurance Construct

The Federal Reserve [today](#) proposed new supervisory guidance for DIHCs principally engaged in insurance activities, also detailing a new supervisory rating system. The Board emphasizes that this system will be tailored and administered in tandem with state insurance regulators with this new system reflecting, in some respects, also the Board's longstanding effort to craft DIHC capital standards ([see FSM Report INSURANCE60](#)). Comments are due sixty days after Federal Register publication.

## 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](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](#).

<https://fedfin.com/wp-content/uploads/2022/01/GSE-012422.pdf>

- [CBDC10](#): Months after initially promising to release a discussion draft on central bank digital currency (CBDC), the Federal Reserve is now seeking comment on whether and how it might create one.
- [GSE-012422](#): A new Federal Reserve Bank of Atlanta [study](#) adds another element to those [prior research argues](#) are evidence of widespread racial discrimination in U.S. mortgage finance.
- [GSE-011422](#): As noted in our in-depth analysis of Acting FHFA Director Thompson's confirmation hearing, it's clear that Democrats and Republicans are thinking hard about resurrecting statutory changes to the GSEs' charters.
- [FEDERALRESERVE68](#): At today's confirmation hearing, Gov. Brainard took a lot of the heat on inflation Republicans only mildly mentioned during Mr. Powell's Tuesday confirmation hearing ([see Client Report FEDERALRESERVE67](#)).
- [REFORM211](#): As promised, FedFin begins our 2022 forecasts with this in-depth report on bank regulation.
- [FEDERALRESERVE67](#): As promised yesterday ([see Client Report FEDERALRESERVE66](#)), we listened closely today to gauge the extent to which Chairman Powell faces a serious challenge to reconfirmation.
- [FEDERALRESERVE66](#): Many of you have asked us to forecast key policy implications ahead of two

high-powered hearings this week considering President Biden's top Fed nominees.

- **GREEN12**: Issuing the first formal U.S. climate-risk proposal, the OCC is seeking comments on high-level risk-management principles to set the context for additional, more binding action governing larger U.S. banking organizations.
- **GSE-010322**: New [economic commentary](#) from the Federal Reserve Bank of Cleveland assesses several recent studies on homeownership from an investment perspective.
- **MMF19**: In the wake of noncommittal statements from global regulators on ways to address money-market fund systemic risk, the Securities and Exchange Commission has proposed sweeping changes to the 2014 standards adopted after the 2008 crisis.
- **GSE-122721**: Late last week, the NCUA put a small addition into the Christmas stockings already stuffed by the regulator over the past few months with numerous regulatory liberalizations.
- **MERGER10**: Just days after the FDIC chair refused to advance a request for comment on bank-merger policy, the Department of Justice released one signaling agreement with many of the concerns Democrats aired in concert with the RFI.
- **GSE-122021**: As [noted](#) on Friday, the Biden Administration's first FSOC systemic-risk hit list reiterates Trump Administration fears about [nonbank mortgage companies](#).
- **GSE-121721**: As [noted](#) on Thursday, FHFA continues to tread carefully through the big-bank rulebook, adopting standards said to be like-kind that aren't quite so similar when it comes to critical details.
- **MERGER9**: Released in a highly-controversial fashion (see below) by two Democrats on the FDIC's board, this RFI posits the need for a significant review of mergers involving insured depository institutions (IDIs) due to many changes in the financial industry and, so it says, the lack of substantive competitive analysis over past decades even of the largest transactions.