



# *FedFin Daily Briefing*

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Wednesday, April 6, 2022

## IOSCO Dodging Open-End Fund Reform?

IOSCO [today](#) asked for comment on corporate-bond market liquidity and ETF best practices. The bond analysis focuses less on the open-end funds on which the SEC and global regulators are addressing in the wake of MMF proposals ([see FSM Report MMF19](#)) than on underlying markets. It focuses on the extent to which secondary corporate-bond trading remains dependent on a small network of OTC dealers in markets with scant liquidity despite sharp growth since the 2008 crisis. The reports do not lay out policy responses on which comment is solicited, seeking views instead on the market itself. As a result, it is unclear if IOSCO plans to join the FSB in near-term action addressing open-end funds or hopes that continuing attention to market liquidity will suffice. Comments on the bond paper are due by June 30; those on ETFs are due by July 6.

## Chopra Calls CRAs as Cartel

In a [speech](#) today on consumer reporting agencies, CFPB Director Chopra focused not on the sector's decision to change medical-billing practices as the Bureau recommended, but rather on the fact that the three major agencies did so on the same day in the same announcement. This, he said, suggests that they are a cartel, not competitors. However, despite this assertion, Mr. Chopra did not go on to suggest what he might seek to do about it. Direct antitrust action is outside the Bureau's ambit, but Mr. Chopra has made it clear with regard to deposit-pricing, overdrafts, and other activities that he will not shy away from using his enforcement or regulatory powers to sanction what he views as anti-competitive behavior. Were this to occur for consumer credit ratings, significant changes in credit underwriting would ensue.

## 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](#).

- **SANCTION18:** As [anticipated](#), today's HFSC hearing with Secretary Yellen largely focused on ways to sanction the Russian Federation and its allies and associates.
- **DEFI:** As [promised](#), this report provides an in-depth analysis of IOSCO's new [paper](#) on decentralized finance, one sure to advance the [FSB's](#) efforts to bring DeFi systems under greater regulatory scrutiny due to the findings we here detail.
- **GSE-032222:** As detailed in our new in-depth [analysis](#), the CFPB's [exam-manual rewrite](#) dramatically redefines the compliance-, legal-, and reputational-risk terrain for any consumer-financial company and the vendors or counterparties on which it relies.
- **CONSUMER39:** Reflecting one of its new director's top priorities as well as that of the Biden Administration, the Bureau of Consumer Financial Protection has significantly revised its examination manual when it comes to behavior that might be viewed as discriminatory in a wide range of consumer-financial products, services, underwriting, advertising, marketing, governance, and other arenas.
- **SANCTION17:** The Senate Banking Committee's hearing today on illicit finance focused as expected on cryptocurrency and suggests that targeted legislation addressing specific jurisdiction or compliance

issues might advance on a bipartisan basis.

- **[GSE-031522](#)**: Although we have done extensive analysis of a U.S. central-bank digital currency (CBDC) in our sister analytical service, we have not viewed as it as an imminent strategic consideration for housing-finance agencies and financial institutions.
- **[CRYPTO26](#)**: We follow our initial client alert here with an in-depth analysis of President Biden's long-awaited [executive order](#) laying down steps intended quickly to construct a U.S. digital-asset policy construct.
- **[GSE-030722](#)**: A new Urban Institute study suggests that banks are more likely to discriminate when it comes to minority borrowers, heightening concerns at a time with increased political risk related to racial equity and mortgage finance.
- **[GSE-030122](#)**: As we noted late [last week](#), FHFA has finalized revisions to its [2020 capital rule](#) that most importantly lighten the GSEs' capital load and reinvigorate credit risk transfer.
- **[GSE-022822](#)**: Responding to continuing FSOC complaints about [nonbank servicers](#), FHFA has proposed [new seller-servicer eligibility standards](#) that crack down hard on any nonbank servicer whose size evokes systemic qualms.
- **[SANCTION16](#)**: In this report, we address many of the questions we've received about U.S. policy in the wake of Russia's invasion into Ukraine.
- **[GSE-022422](#)**: As noted late [yesterday](#), the CFPB has gotten a jump on FHFA and the banking agencies with the first step towards a long-delayed AVM rule demanded in the [Dodd-Frank Act](#).
- **[CRYPTO25](#)**: Despite fierce partisan fighting over pending Fed nominations, today's Senate Banking hearing on stablecoin regulation was considerably more bipartisan than last week's HFSC session ([see Client Report CRYPTO24](#)).
- **[GSE-021022](#)**: Moving far ahead of the banking agencies [AI](#), FHFA [today](#) released a series of supervisory AI/ML standards for Fannie, Freddie, and CSS, perhaps leaving the FHLBs alone because none so far does much within this arena or nobody cared.
- **[GSE-020922](#)**: Continuing her very different vision of Fannie and Freddie, FHFA Acting Director Thompson [today](#) has released a new strategic plan for the agency emphasizing the importance of both equitable and sustainable housing finance.