



FedFin Daily Briefing

Wednesday, May 4, 2022

Senate Overdraft-Fee Review Suggests Low Legislative Odds

Today's Senate Banking Financial Institutions and Consumer Protection Subcommittee overdraft hearing was a largely collegial and theoretical session until Sen. Warren (D-MA) announced that she is sending letters to the largest banks with overdraft fees to demand that they terminate this practice. Demanding also the OCC step in to bar fees, she pressed her legislation to ban them, legislation we continue to believe stands little chance of passage in this [Congress](#). Subcommittee Chairman Warnock (D-GA) asked if overdrafts are a symptom of consumer distress or its cause, indicating that he will soon release a report on industry and consumer views relating to these fees. Ranking Member Tillis (R-NC) said that some consumers need overdrafts and that market reform has worked well. Sen. Cortez Masto (D-NV) pointed to the benefits afforded by BankOn accounts, while Sen. Van Hollen (D-MD) renewed his campaign for quick action to bring FedNow online.

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](#).

- **INTERCHANGE9:** As anticipated, bankers and card networks squared off with merchants at today's Senate Judiciary hearing addressing credit-card interchange fees.
- **GSE-042822:** In this note, we expand on our analysis of the CFPB's new campaign against [nonbank financial institutions](#) to look more deeply at its impact on residential-mortgage finance.
- **CONSUMER42:** Today's HFSC hearing with CFPB Director Chopra plowed much ground broken yesterday before the Senate Banking Committee ([see Client Report CONSUMER40](#)), but several new furrows were also unearthed.
- **CONSUMER41:** Using what it describes as "dormant" authority, the CFPB is seeking comment on a rule setting the procedures under which it expands its authority to nonbank financial companies it believes pose consumer-protection risk.
- **CONSUMER40:** The Senate Banking Committee's hearing today with CFPB Director Chopra was a sharply partisan session with little immediate impact on what Mr. Chopra plans to do to achieve his sweeping new vision.
- **GSE-042122:** In our last CRT [analysis](#), we looked at transaction viability under the Basel IV rewrite set for rapid release once key Fed nominees are finally confirmed.
- **GSE-042022:** As we noted [yesterday](#), the IMF's financial-stability [report](#) includes a searing assessment of fintech risk.
- **CBDC11:** As [promised](#), we turn here to an in-depth analysis of a [paper](#) from global regulators on whether CBDC contributes to financial inclusion – one of the most vital arguments from those advocating CBDC in the U.S. and in many other nations.
- **GSE-041522:** Cementing her very different vision of Fannie and Freddie, Acting Director Thompson has now finalized a new strategic plan for the FHFA emphasizing the importance of both equitable and

sustainable housing finance

- [CBDC11](#): Progressive Democrats in the House have introduced an alternative digital-dollar proposal ("e-cash") to the "FedAccount" construct urged by Senate progressives that mandates an electronic currency created by the Treasury Department to devise an electronic substitute for physical fiat currency.
- [GSE-040722](#): FHFA has finalized new [capital rules](#) for the GSEs designed to accelerate the credit-risk transfer the agency now deems essential for a fast-acting conservatorship exit.