



FedFin Daily Briefing

Wednesday, July 27, 2022

Waters: Stablecoin Bill Would Authorize CBDC

At the opening of today's HFSC markup, Chairwoman Waters (D-CA) and Ranking Member McHenry (R-NC) announced that they were close to a bipartisan draft of stablecoin legislation and hope to complete one by the August recess. Chairwoman Waters said the bill would include authorization for CBDC to ensure U.S. global competitiveness. We would expect this to follow the outline of the draft Rep. Himes (D-CT) [released](#) this spring. Ranking Member McHenry said that he hoped the bill would be technically proficient and workable, emphasizing that it should be guided by precedents like those in New York State.

Revised Overdrafts, Credit Data Bills Advance

The HFSC today, although postponing recorded votes, lightly approved H.R. 4277, Rep. Maloney's (D-NY) overdraft protection bill. The bill would limit overdraft fees banks can charge customers to no more than one per month or six per year, allowing the CFPB to raise that limit; require the fees to be reasonable and proportional to the amount overdrawn and the cost of providing coverage for the overcharge; prevent institutions from posting transactions in an order that would maximize overdraft fees; and require banks to let customers decide if they want coverage. It appears that the bill will not have the option for the CFPB to impose a 24-month moratorium included in the legislation when it last came before the Committee, but we will review the bill as reported to determine if that is the case. As anticipated, support for the bill came solely from Democrats, with Republicans strongly opposing it. The Committee today also approved H.R. 8485, Rep. Williams' (D-GA) credit reporting bill. It would require lenders to consider additional credit information not typically included on a consumer's credit report, such as rent payments. Action again occurred on strictly partisan lines. As noted before, these bills may pass the House but they will not advance in the Senate or become law this year.

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](#).

- **LIBOR8:** Moving belatedly but now expeditiously to implement legislation governing legacy-contract benchmarks when there is no contractual fallback rate, the Fed has proposed a new framework for derivatives, consumer loans, certain GSE contracts, and any other legacy contracts without clear LIBOR-replacement provisions and a "determining person" to effectuate them.
- **GSE-072122:** We yesterday provided a complete assessment of Sandra Thompson's sojourn on HFSC's [griddle](#), noting the lack of any insights into essential issues such as conservatorship's end or the full scope of CRT's new beginning.
- **GSE147:** At her first hearing as confirmed FHFA Director, Sandra Thompson made it clear to House Financial Services that she is committed to expanding credit-risk transfer (CRT), encouraging equitable finance via new GSE activities, and recapitalizing Fannie and Freddie as quickly as possible.

- **[GSE-071922](#)**: As noted earlier today, the Fed has finally brought forth its LIBOR-transition [proposal](#) specifying permissible benchmarks for legacy contracts without contractual fallback rates.
- **[CRYPTO30](#)**: As part of its response to the President's digital-asset executive order, the Department of the Treasury is seeking views on the broad policy questions on which it believes answers might guide the Administration's next steps.
- **[GSE-070822](#)**: A new Fed staff [note](#) contains startling statistics on how much the housing market has changed in just a few months at grave cost to lower income households.
- **[CRYPTO29](#)**: Global banking regulators are trying a new, but still stringent, approach to governing bank exposures to certain types of crypto assets, revising an initial consultation to focus more on supervisory limitations than on extremely punitive capital requirements for what are deemed to be lower risk cryptoassets.
- **[CREDITCARD35](#)**: Taking the first concrete action following its new policy on "junk fees," the CFPB has sought public comment on whether and how to govern credit-card late fees and broader practices related to late payments.
- **[GSE-070122](#)**: FHFA today essentially conceded after its initial polite rebuff to an Urban Institute critique of the capital rules adverse impact on [UMBS](#).
- **[GSE-063022](#)**: The Federal Reserve Bank of Philadelphia's latest [report](#) on foreclosure risk includes a worrisome finding: the sharp rise in interest rates means that most loan-mod recipients won't actually get much relief.
- **[GSE-062922](#)**: In response to a request from its [Inspector General](#), FHFA renewed the commitment to fourth-party supervision.
- **[DEPOSITINSURANCE114](#)**: The FDIC is proposing to raise base Deposit Insurance Fund (DIF) assessments by two basis points (BPS) to replenish the DIF by the statutory deadline to reflect deposit inflows that the FDIC no longer expects to be temporary.