



# *FedFin Daily Briefing*

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Wednesday, August 17, 2022

## **Bowman Cautions on Payment-System Access, CBDC**

In remarks [today](#), FRB Gov. Bowman pointed to the Fed's final payment-system access [guidelines](#), again urging nonbanks not to have "false expectations" about access while an implementation process advances. She also noted a longstanding inter-agency proposal addressing partnership risks ([see FSM Report VENDOR9](#)) and said she believes final action is needed but provided no insight into when this might in fact occur. Noting also yesterday's Fed supervisory letter on [cryptoassets](#), Gov. Bowman indicated that additional supervisory guidance on stablecoins, custody, and other outstanding digital-asset issues is also being developed. The banking agencies continue to ponder comments on a 2021 inter-agency proposal on AI risk ([see FSM Report AI](#)), reiterating that FedNow will resolve the issues raised by those advocating for a CBDC. The Fed's next CBDC step will be to publish a summary of comments received.

## **CFPB Digital-Market Standards Start Now**

Today's [Federal Register](#) includes the CFPB's interpretive rule subjecting digital companies using behavioral or similar data to market consumer-finance products to federal consumer law ([see FSM Report FINTECH30](#)). The rule is effective immediately. As noted, the rule curtails the extent to which digital advertising and marketing strategies are exempt from CFPB regulation and state or federal enforcement actions. It exempts service providers of "time or space" for advertising consumer-finance products via media also cited in law, such as print and electronic media.

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### **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](#).

- [GSE-081722](#): [FHFA](#) and [Ginnie Mae](#) today let loose their long, long delayed standards for eligible seller-servicers.
- [INFOSEC28](#): Using another of its tools to set policy without prior public comment, the CFPB has released a circular stating that inadequate consumer-data safeguards may constitute a breach of the unfair, deceptive, or abusive acts or practices (UDAAP) protection standards subject to Bureau enforcement action.
- [FINTECH30](#): Continuing its practice of setting sweeping policy by administrative action without prior notice or comment, the CFPB has issued an interpretive rule sharply curtailing the extent to which digital advertising and market strategies are exempted from the legal and compliance obligations associated with most parties directly providing consumer financial products or services and those acting as servicers to these entities.
- [GSE-081222](#): [FHFA](#), [Fannie](#), and [Freddie](#) yesterday released the results of FHFA's latest stress test, focusing on the severely-adverse scenario in order – or so FHFA says – to push the GSEs to the limit.
- [INTERCHANGE10](#): Two senators have reopened questions about the manner in which card-related

payments are handled, tackling those applicable to credit cards with a bill mandating that merchants must be given a network choice that is not either Visa or Mastercard in order to, the sponsors argue, increase competition and lower credit-card transaction costs.

- **[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.