



FedFin Daily Briefing

Friday, August 19, 2022

Payment-System Decision Process May Begin Today

Today's *Federal Register* includes the Fed's final payment-system access guidance ([see FSM Report PAYMENT25](#)). The guidelines are thus effective immediately. As noted, the final three-tier process for Reserve Bank deliberations sets out a process for streamlined, "intermediate," and additional scrutiny based on an applicant's charter, regulation, risk-profile, and numerous other, possibly discretionary factors. The final standards also allow the FRB and/or Reserve Banks additional discretion to consider nonbank holding companies to be the equivalent of BHCs. Although the guidelines are effective today, their market impact remains uncertain because the manner and timing of Reserve Bank implementation is unsettled. Gov. Bowman [urged caution](#) and the guidelines themselves say little beyond committing to an "expeditious" rollout by individual Reserve Banks in concert with cross-system consultation.

CFPB Plans New Credit-Card Fee Disclosure Requirements

Following its ANPR on credit-card fees ([see FSM Report CREDITCARD35](#)), the CFPB today [published](#) a rationale for its campaign to control them and – despite the early stage of its rulemaking – a plan to do so via a data-collection proposal published [yesterday](#) in the *Federal Register*. Comments on the proposal are due by October 17 and the details now provided on the Bureau's plans suggest it will get more than a few. The post argues that APR transparency would spur competition and empower consumers. The Bureau is thus considering requiring selected issuers to submit data on the median APR offered to consumers in three broad credit-score tiers then making these publicly available. Advancing its Director's [relationship banking](#) agenda, the Bureau is also inviting smaller institutions such as credit unions and regional banks to share rate information that would also be made public on a platform meant to facilitate credit-card choice. The Bureau is also requiring the top 25 card issuers to submit data on each of their top general-purpose credit cards.

FDIC Goes After Crypto Companies for False Advertising

Based on its earlier [warning](#) and recent rule re advertising FDIC [insurance](#), the FDIC [today](#) issued cease-and-desist orders against five cryptocurrency companies it claims are advertising that several of their crypto-related products are FDIC-insured. The order expressly instructs these companies to remove any reference that suggests products carry FDIC coverage within fifteen days and makes clear that a failure to comply will result in further FDIC action, the nature of which is not specified. At the time the FDIC issued its rule, CFPB Director Chopra made it [clear](#) that firms that falsely advertised or implied FDIC coverage would also be subject to CFPB enforcement action. As of writing, there is no announcement to this effect, but we expect one shortly.

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](#).

- **[GSE-081922](#)**: We look here at an interesting [idea](#) from three senior Fannie Mae officials: an index to measure a Single-Family MBS's social impact.
- **[PAYMENT25](#)**: Following considerable controversy surrounding how Federal Reserve Banks grant master accounts, it has finalized a somewhat more explicit set of guidelines along lines proposed the second time the Fed attempted to set guidelines via a "supplemental" proposal earlier this year amending its 2021 effort.
- **[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.