



# *FedFin Daily Briefing*

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Tuesday, August 30, 2022

## **FRB-Atlanta: Cardless Consumers Pay More Per Transaction**

After the Fed announced imminent FedNow [liftoff](#), the Federal Reserve Bank of Atlanta yesterday [issued](#) a release summarizing research that concludes that lower-income consumers pay considerably more per each payment transaction due the use of cash and debit cards that do not provide credit-card rewards and the overall price increase that merchants charge to compensate for interchange fees. The release also cites a July FRB-Atlanta [paper](#) concluding that cardless consumers are effectively locked out of digital payments and are more likely to be Black or Hispanic. That paper also urges that the design of a CBDC must account for the card-ownership gap as to not exclude cardless consumers without digital-payment access. FRB-Atlanta President Bostic favors both FedNow and a [CBDC](#).

## **Oversight Subcomm Chair Presses Agencies on Crypto Oversight, Jurisdictional Warfare**

The Chairman of the House Oversight Committee's Subcommittee on Economic and Consumer Policy, Rep. Raja Krishnamoorthi (D-IL), today [sent letters](#) to Treasury, the SEC, the CFTC, the FTC, and several major crypto exchanges demanding information and documents showing what each is doing to combat cryptocurrency-related fraud. Calling for improved regulation and guidance, the Chairman criticizes regulators for their insufficient coordination in response to escalating risks. Although Congress may need to pass digital-asset legislation, Rep. Krishnamoorthi nonetheless demands an end to agency "infighting," highlighting a recent conflict between the SEC and CFTC over insider trading action against cryptoasset managers. Documents requested and questions posed to the agencies focus on perceived risk and ongoing action, cryptocurrency investigations and enforcement actions, policies and guidance as well as frameworks for interagency cooperation. Responses are due by September 12, suggesting a near-term hearing.

The Chairman's letters to crypto exchanges call for implementation of audit policies, disclosure requirements, and delisting actions meant to ensure better consumer protections and safer trading environments. Questions and requested documents pertain to the exchanges' existing anti-fraud frameworks and compensation plans for defrauded consumers. Responses are also due by September 12.

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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-083022](#): BofA's new no-down payment [mortgage](#) is another innovative product in which banks use their balance sheets to address their CRA obligations by offering down payment assistance or, as here, flat out nothing down.

- **[CRYPTO31](#)**: Reflecting the concerns voiced in a recent executive order from President Biden and a subsequent request for views from Treasury, the Federal Reserve has joined the OCC in demanding prior notice from banking organizations that wish to undertake cryptoasset activities.
- **[GSE-082222](#)**: A new Federal Reserve Bank of Cleveland [study](#) validates forbearance as a mortgage-market buffer, reinforcing the likelihood that policymakers and servicers will turn quickly to it if current mortgage-market conditions turn ugly under the combined stress of higher rates and slow to no growth.
- **[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.