



# *FedFin Daily Briefing*

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Wednesday, September 21, 2022

## Liang Emphasizes Fed CBDC Views vs. Treasury Report

In remarks [last night](#), Treasury Under-Secretary Liang took a decidedly more cautious stand on CBDC than Treasury's recent report, emphasizing its caveats rather than over-arching conclusions. Differing from the report ([see Client Report CBDC14](#)), she reiterated Fed concerns that CBDC might undermine financial intermediation even as the report argues that it might well not do so if nonbanks were given access to it and to instant payments. Ms. Liang also made it clear that conclusions have yet to be drawn about the extent to which a CBDC is in the national interest even though much in the report suggests it is. Ms. Liang also described conclusions on the payment system and cross-border payments, emphasizing the need for a nonbank-payment regulatory framework.

## Senate Democrats Lambast More Big Banks

Ahead of their hearing with big-bank CEOs tomorrow, Senate Banking Democrats [today](#) released additional "snapshots" similar to those published [earlier this week](#), this time highlighting Wells Fargo and JP Morgan Chase. These "megabank" snapshots follow the same format as those for the large [regional banks](#), providing a list of headlines highlighting not only alleged instances of consumer discrimination and abuse, but also Wells Fargo's fake accounts scandal and JP Morgan's oil lending practices. Consumer issues related to Zelle and overdraft fees are also noted in this section, reinforcing the attention [these matters](#) will doubtless receive tomorrow. We will provide clients with a detailed report on this hearing.

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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](#).

- **REFORM212:** At today's big-bank oversight HFSC hearing, Committee Democrats focused on each bank's progress on social issues, such as internal diversity, unionization, and historic roles in financing slavery.
- **GSE-092122:** In this analysis, we drill down in Treasury's high-impact reports to the President on the future of digital assets to identify key considerations and strategic implications for housing finance.
- **CRYPTO32:** We follow our prior in-depth analysis of Treasury's CBDC and payments report ([see Client Report CBDC14](#)) with a detailed assessment of the Department's [assessment](#) of overall cryptoasset policy.
- **SANCTION19:** Today's Senate Banking hearing on Russian sanctions showcased bipartisan concern that anti-Russian sanctions have yet to have meaningful impact and doubts about the extent to which oil-price caps will reverse this.
- **CBDC14:** In this in-depth report, we follow through as promised on our initial analysis of key sections in last Friday's Treasury report on CBDC and changes to the payment system.

- **[INVESTOR20](#)**: The Senate Banking hearing with Chairman Gensler today went as [expected](#): Democrats generally praised his work while Republicans strongly opposed it on both substantive and procedural grounds.
- **[INSURANCE61](#)**: Chairman Brown (D-OH) convened a hearing today focused on the insurance industry largely focusing on the extent to which private-equity takeovers endanger insurance solvency and threaten pensioners following risk transfers.
- **[GSE-090722](#)**: Reinforcing the sharp turn-around in housing markets evident since the Fed surprised markets with its first 75 bps hike, a new working paper from the [San Francisco Fed](#) provides the first hard evidence of how monetary-policy shocks in the U.S. hit listing prices hard and fast.
- **[GSE-090122](#)**: As seems always the case, FHFA Director Thompson is as good as her word to Congress earlier this [summer](#), announcing [yesterday](#) a review of the extent to which the Home Loan Banks and their System meet the mission assigned to them and, regardless, if that mission still makes sense.
- **[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.