



# *FedFin Daily Briefing*

---

Wednesday, September 28, 2022

## **CFPB Targets Repeat Offenders, Overdraft Fees**

Continuing his campaign against repeat [offenders](#), CFPB Director Chopra announced sweeping penalties against Regions Bank for "illegal, surprise overdraft" fees. These are said to be "manipulative" fees charged after the bank had notified consumers of sufficient balances at the time of a transaction, with the release accompanying the order also alleging that Regions' senior management continued these fees after staff warned against them following an earlier CFPB enforcement order and Fed warnings. The fine is \$191 million, comprising of \$141 million in consumer redress and a \$50 million penalty. Director Chopra also makes it clear that this order will not be the last to target repeat offenders or overdraft fees. These fees were also [targeted](#) by President Biden at yesterday's Competition Council meeting.

## **Fed's Bowman strongly disputes assertion of undo banking-market concentration**

In [remarks](#) today FRB governor Bowman made it clear that she will dissent for any new merger policy, concluding that regulated banking is currently over-concentrated. In her talk, she provides extensive data on the transformation of retail banking, arguing that the current measures are particularly deceptive when it comes to community banks. However, her remarks implicitly address the current controversy surrounding super-regional merges, noting for example that the HHI index is outdated measure of actual market concentration. To drive a current one, the Fed needs to also measure the market share of credit unions, online deposit taking, and the role of nonbanks. She provides no indication of the timing for any revised fed merger policy, but she also presses strongly for this policy to be made transparent. It is unclear if by this she means publication for public comment prior to finalization.

---

### **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](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](#).

- [MORTGAGE121](#): The CFPB has asked for views on the extent to which it can facilitate certain refinancing (refi) products it believes enhance economic justice.
- [GSE-092622](#): As will be evident in our forthcoming in-depth analysis, the CFPB's fusillade [last week](#) on mortgage-finance could have far-reaching implications for the entire market based on how far it takes its new campaign for equitable housing finance and whether the market is willing to come along on at least some of the agency's new ideas.
- [AML136](#): Treasury is seeking comments on issues raised by the President's executive order (EO) on digital assets to guide further work curbing illicit-finance and national-security risks in this sector.
- [REFORM213](#): Senate Banking's hearing with big-bank CEOs proved much more combative than HFSC's session yesterday ([see Client Report REFORM212](#)).

- **[GSE-092222](#)**: In this report, we follow our earlier analysis of Treasury's CBDC recommendations and [housing finance](#) with an analysis of another Treasury report in response the President's [executive order](#) focused on the overall construct of cryptoassets in the U.S.
- **[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.