



FedFin Daily Briefing

Thursday, September 29, 2022

Beneficial Ownership Standards Released at Long Last

After a long delay and Congressional [demands](#), FinCEN finalized its beneficial ownership [rule](#) today, mandating both domestic and foreign firms doing business in the US to report any individuals with substantial control or ownership interests. The rule is effective on January 1, 2024 and gives firms created before the effective date a year to file their initial reports; companies created after the effective date will have 30 days and any changes to beneficial ownership must also be reported within 30 days. The rule is one of three forthcoming rulemakings implementing the Corporate Transparency Act ([see FSM Report AML133](#)), alongside future rules to establish who can access beneficial ownership information and to revise FinCEN's customer due diligence rule, with the timing on these left unclear.

Climate Scenario Analyses Begin

As initially promised by Chairman Powell ([see Client Report FEDERALRESERVE67](#) and Michael [Barr](#)), the FRB today announced that it will pilot climate scenario analysis exercises involving Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo. The pilot, which will begin early next year and conclude in late 2023, will require the banks to analyze the impact of certain climate-related stress scenarios on their portfolios. The Board will then evaluate the banks' analyses and work with them to coordinate sound risk management practices. The release also notes that the pilot is exploratory and does not have capital consequences. The Board will subsequently release more information on the details of the pilot, including how the exercises will be conducted and the scenarios that will be used.

FSB Continues to Review Climate Financial Stability Risks

In a [speech](#) today, FSB Chair Klaas Knot reiterated key needs in addressing climate-related financial stability risks. These needs include filling gaps in climate data, integrating climate risk into broader financial stability surveillance, and assessing whether a dedicated macroprudential policy approach is appropriate. Mr. Knot also stated that the FSB is working on filling in data gaps and assessing the effective use of scenario analysis. As noted earlier today, the Federal Reserve announced the first US scenario analysis exercise. The speech also reiterates ongoing disclosure and international cooperation initiatives.

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](#).

- [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.