



FedFin Daily Briefing

Thursday, October 13, 2022

Final FSB Climate Standards Push Scenario Analysis, Stress Testing to Macropru Bucket

Building on its interim report ([see FSM Report CLIMATE13](#)), the FSB today published its [final report](#) on Supervisory and Regulatory Approaches to Climate-related Risks. FedFin will shortly provide clients with an in-depth analysis of the report, which focuses on regulatory reporting and data collection, system-wide supervisory and regulatory approaches, and assessing the extent to which current policies and tools address climate-related risks. Recommendations for new standards or supervisory actions include rapid identification of climate-related information needs; strengthened oversight on data reporting, including third-party verification to address greenwashing risks; standardized definitions of liability, transition, and physical risk across jurisdictions; regular, tailored regulatory reporting requirements; consistent cross-jurisdictional reporting requirements; microprudential measures at the firm and systemic level; expanded use of macroprudential scenario analysis and stress testing; and international cooperation. The FSB will in 2024 consider whether to conduct a peer review of supervisory and regulatory practices against its recommendations and look in 2025 at whether to update the 2022 standards.

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](#).

- [INTERCHANGE11](#): Leaving its interchange-fee restrictions intact – at least for now – the Federal Reserve has finalized its proposal expanding on its existing requirement that all debit- card transactions must be enabled for processing on at least two unaffiliated payment-card networks for card-not-present transactions.
- [GSE-100622](#): FHA's [request for input](#) on small-dollar loans could mean much for this equality-essential product or little beyond a lot more public debate.
- [CRYPTO33](#): In this report, we build on our [initial assessment](#) of FSOC's conclusion that cryptoassets now pose systemic risk and the Council's recommendations about what should be done to curtail it.
- [GSE-100422](#): Although one witness at the FHFA listening session on the Home Loan Banks took strong issue with their mission and meaning, another who called them the "most successful program of the last hundred years" pretty much summed up today's testimony.
- [GSE-100322](#): Our take on the first two days of FHFA's FHLB "listening session" last week is that battle lines are shaping up much as we expected with the exception of a couple of powerful groups with new ideas about how the System could be put to better use for themselves and/or the public interest.
- [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.