



FedFin Daily Briefing

Tuesday, November 29, 2022

Fed Finalizes Revisions to Interchange Survey

After finalizing a controversial proposal opening up debit-card routing ([see FSM Report INTERCHANGE11](#)), the FRB has also set [changes](#) to reporting on interchange-fees proposed in [July](#). The final requirements track the proposal, gathering data now on reporting changes when multiple networks are involved in processing transactions as well as revising the survey to prevent overcounting certain transactions. These revisions will be implemented in the next Debit Card Issuer Survey.

Senate Finance Chair Challenges Crypto-Exchange Conduct

Continuing Congressional [pressure](#) on crypto following FTX's collapse, Senate Finance Chairman Wyden (D-OR) today sent six [letters](#) to some of the largest crypto exchanges to determine if the factors leading to FTX's collapse are widespread. It is unclear what Sen. Wyden intends to do with the information he requests given that his panel does not have jurisdiction over the conflicts of interest and related concerns he cites, but it can surely call hearings and at the least build a record for the kind of legislation Mr. Wyden may support. The letter indicates that he believes these exchanges should have the same protections required of banks and securities brokers. Each firm is asked to describe the nature of their relationship with their subsidiaries, how each uses customer funds or assets, and any safeguards each has against market manipulation. An interesting question also explores the extent to which exchange insiders used investor funds for real-estate holdings. Responses are due by December 12.

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](#).

- [CONSUMER44](#): Reviving what it calls "dormant" authority, the CFPB has finalized a proposed "procedural rule" expressly reiterating its right to govern an array of nonbanks and establishing procedures for making supervisory orders public.
- [GSE-112122](#): As came out into the open [last week](#), FSOC will finally turn to rewriting the Trump era [rewrite](#) of the Obama Administration's FSOC protocols regarding systemic financial institutions and activities.
- [FINTECH31](#): As [promised](#), this report provides an in-depth analysis of [Treasury's report and resulting recommendations](#) to the President's Competition Council on the impact of new nonbank consumer-finance entrants from a competition, consumer-protection, and financial-stability perspective.
- [REFORM215](#): HFSC today largely focused bank regulators on the same range of questions posed at yesterday's Senate Banking session ([see Client Report REFORM214](#)).
- [REFORM214](#): At today's Senate Banking oversight hearing with the banking agencies, Chairman Brown (D-OH) generally applauded the work of regulators, emphasizing the need for tough standards, like-kind

rules for bigtech companies, and an inquiry into why depositor interest rates lag Fed rate hikes along lines [posed](#) earlier by Sen. Reed (D-RI); FDIC Acting Chairman Gruenberg concurred, criticizing banks for sluggish rates.

- **TMARKET3:** Building on our [initial assessment](#), this report goes in-depth into the Treasury assessment of the market for its obligations and reforms necessary to avert another dash for cash.
- **NBFI2:** As [promised](#), this FedFin report provides an in-depth analysis of the FSB's latest policy on [nonbank financial intermediation](#).
- **PAYMENT26:** Although the Fed characterized its final payment-system access guidelines as "transparent," FedFin's analysis and other assessments concluded that the Federal Reserve Banks retained considerable discretion to pick and choose those granted master accounts and there would be no ready way to identify which institutions had or lost this essential status for any provider of retail or wholesale deposit-taking services or their equivalent.
- **GSE-110822:** In its latest blast on racial equity, the Treasury Department's Office of Economic Policy has issued a [blog post](#) cataloguing racial disparities in residential-mortgage finance.
- **SYSTEMIC94:** As we noted [Friday afternoon](#), the Federal Reserve then released its semi-annual [financial-stability report](#) in an effort not only to comply with its protocols, but likely also to attract as little attention as possible, with the release and even the report saying only as much about growing risk as the Fed thinks is essential to preserve its credibility.
- **GSE-110722:** In its latest financial-stability [report](#), the Fed is at pains to provide dozens of pages of helpful data with the few systemic-risk conclusions the Board ventures couched in careful prose designed to assure critics that the Fed knows well what's going on without expressing any views that might suggest serious trouble looms or hint that any of what it surveys will alter the Fed's course in terms of monetary policy, regulatory actions, or systemic considerations.
- **DATA3:** Beginning a long-awaited rulemaking process on the extent to which consumers have rights to their own data and how these rights may be exercised, the CFPB is seeking views on an array of ideas and questions to guide future action.
- **OVERDRAFT11:** In conjunction with a Presidential speech and new White House initiative against "junk fees," the CFPB has accelerated its own efforts in this arena with two new policy directives.