



FedFin Daily Briefing

Friday, December 9, 2022

Toomey Gets His Fed Payment-Access Transparency

As we noted ([see FSM Report PAYMENT25](#)), Sen. Pat Toomey (R-PA) strongly objects to the Fed's latest payment-system access policy. As a result, he sought and yesterday won inclusion of [language](#) in the NDAA that forces considerably more transparency than the Fed was otherwise willing to contemplate despite assurances that its final rule was indeed "transparent." We have reviewed both Mr. Toomey's [release](#) and the language included in a bill soon sure to pass with this language included in it. As Sen. Toomey previously indicated, the Fed will now need to maintain a searchable database via a website that notes private financial institutions which have or seek master accounts either by application or "formal" request. The first posting will also need to indicate entities with applications pending as of the date of enactment. The database must be updated quarterly and also detail the status of pending applications and those which were denied or withdrawn. The database would also need to provide an institution's charter, making it easier to spot nontraditional applicants or entities seeking access.

FSB Suspends G-SII Designation

The FSB today [announced](#) it would discontinue its annual identification of global systemically important insurers (G-SIIs), instead opting only to publish a list of insurers subject to resolution planning and resolvability assessments in its Annual Resolution Report. As noted [yesterday](#), the FSB's 2022 Resolution Report lays out a series of significant concerns about G-SII resolvability, especially when it comes to intra-group exposures. It continues to work on ways to shutter large insurers without either adverse impact on policyholders or taxpayers. The FSB also announced that it will review the IAIS's Holistic Framework in November 2025 for its ability to assess and mitigate systemic risk, adding that it may reinstate G-SII designation at that time. In response to FSB's new systemic policy, IAIS will continue its annual data collection from individual insurers and report outcomes to the FSB.

Warren, Toomey Fed Transparency Bill Reaches all Financial Regulators

Heightening bipartisan calls for Fed transparency, Ranking Member Toomey (R-PA) and Sen. Warren (D-MA) today introduced [legislation](#) designed to ensure the Fed's accountability to Congress. The measure unites Sen. Warren's longstanding complaints about the Fed insider-trading scandals with the dissatisfaction Sen. Toomey expressed regarding master-account decisions most recently in the legislation on a new database detailed in a FedFin alert this morning. The bill would subject the Federal Reserve and the Reserve Banks to FOIA requests, make the Fed's Inspector General a presidential appointee, and prohibit the System from withholding ethics-related information from Congress. The bill also extends the same restrictions to the CFPB, SEC, FDIC, OCC, NCUA, and FHFA. We expect action on it in the next Congress.

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](#).

- **[CLIMATE15](#)**: Following the pattern set in 2021 by the OCC, the FRB has now proposed climate risk-management standards as high-level principles to guide banking organizations with assets over \$100 billion.
- **[GSE-120522](#)**: Making an important addition to the ongoing debate about Treasury-market liquidity, a new [paper](#) from the Bank for International Settlements provides sobering data on agency MBS liquidity with significant implications not only for secondary-market liquidity, but also primary-market stability.
- **[CRYPTO35](#)**: In the first Congressional review of crypto since the collapse of FTX, Senate Agriculture leadership largely defended the bill they produced, S.4760.
- **[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.
- **[NBF12](#)**: As [promised](#), this FedFin report provides an in-depth analysis of the FSB’s latest policy on [nonbank financial intermediation](#).