



FedFin Weekly Alert

Monday, January 9, 2023

❑ SPEECHLESS IN THE HOUSE

Well, that was a most interesting opening number. The ongoing rollcalls for Rep. Kevin McCarthy (R-CA) spawned much [press coverage](#) about chaos and incapacity in what some like to call the “people’s chamber.” This is surely true for high-profile questions such as the debt ceiling, Ukraine, and the federal budget. However, as FedFin’s forthcoming forecast for the new year will show, we don’t think this will prove the case for most financial-services legislation. Incoming HFSC Chairman McHenry (R-NC) is determined to show that he can govern – a key criterion for ascension in the House or beyond as matters are likely to evolve. As a result, you’ll see that 2023 will prove a consequential year for several high-priority financial-policy initiatives – see, for example, our assessment of the prospects for Fed reform, crypto rewrites, and even an ILC restraint.

To be sure, much will be political – “woke” banking and the CFPB’s and SEC’s authority are at the top of this contentious list. But, if Senate Banking Chairman Brown (D-OH) is willing to advance some bills, some new law will come upon us.

Headlines From the Past Week’s Daily Briefings

January 2

- No news of note.

[January 3](#)

- **Update re U.S. LIBOR Standards** - In case you missed it, we want to alert you to one of FedFin’s time-critical reports that was sent over the holidays: [LIBOR9](#), which details the Fed’s new alternate benchmarks as even harder bargaining over legacy contracts begins early this year.
- **US Agencies Raise Red Flag Before Crypto Exposures** - Starting the New Year off with a crypto bang, the federal banking agencies [issued](#) a very cautionary statement reiterating and broadening the risks attendant to crypto activities and the care banks need to take conducting them.

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January 4

- **Beatty Continues Dem's Fed Diversity Attacks** - Signaling a new line of Democratic attack against the FRB on diversity, Rep. Joyce Beatty (D-OH) introduced H.R. 9705, requiring the Fed to establish goals for the use of diverse asset managers when using its 13(3) asset-purchase powers.

January 5

- **OFR Tackles Repo-Market Data Transparency** - As pressed by the FSOC ([see Client Report FSOC28](#)), OFR [released](#) a sweeping proposal to gather daily data on the uncleared bilateral repo market.
- **OCC Reiterates Long Term Principles** - The OCC published its 2022 [Annual Report](#), revealing little of its priorities for 2023.

January 6

- No news of note.

This Week

No meetings of note.

Future Events of Note

No meetings of note.

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](#).

- **[GSE-010523a](#)**: FHFA's latest [scorecard](#) for Fannie, Freddie, and CSS reiterates Director Thompson's overarching objectives for Fannie and Freddie in the new era of equitable finance, CRT, and capital compliance.
- **[GSE-010523](#)**: As we previously [noted](#), the U.S. banking agencies will finally, finally, finally get around to proposing their version of the Basel IV capital rules more recently dubbed the "end-game" standards.

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- [**CRYPTO37**](#): The Basel Committee has finalized its second try at global standards governing bank cryptoasset exposures, laying out a path that U.S. agencies plan quickly to implement even as Congress continues to wrestle with this fast-changing sector.
- [**DEPOSITINSURANCE117**](#): In the wake of increasing instances in which customers are confused and even misled about the extent to which fintech and cryptoasset holdings are insured deposits, the FDIC is proposing new standards addressing this problem as well as ways to modernize IDI representations of their own FDIC-insured offerings in branches and through the fast-changing array of retail banking delivery channels.
- [**LIBOR9**](#): Shortly before its statutory year-end deadline, the Federal Reserve finalized its proposal defining legacy-contract benchmarks when there is no clear, practicable contractual fallback rate.
- [**CONSUMER47**](#): The CFPB is proposing to create a public registry of certain enforcement actions that would initially cover nonbanks (including BHCs) with a goal of drawing public and enforcement-agency attention to what the Bureau's director calls "serial offenders."
- [**GSE-122122**](#): Finally taking what was supposed to be an "interim" [final rule in 2009](#), FHFA yesterday finalized a variation on Mark Calabria's 2020 new-product [proposal](#).
- [**CONSUMER46**](#): In this report, we provide an in-depth assessment of the CFPB's unprecedented \$3.7 billion [settlement](#) earlier today with Wells Fargo (WFC).
- [**FSOC28**](#): [As promised](#), this FedFin report provides an in-depth analysis of FSOC's 2022 [annual report](#), focusing on findings with near-term policy implications.
- [**GSE-121922**](#): [As promised](#) Friday when FSOC's [annual report](#) was released, we here go into depth on its implications for residential housing.
- [**CONSUMER45**](#): Despite early warm goodbyes to outgoing Chairwoman Waters (D-CA), GOP members wasted no time trading blows at a fiery HFSC session today with CFPB Director Chopra.
- [**CRYPTO36**](#): Senate Banking Committee Chairman Brown (D-OH) today backed away from prior statements about crypto legislation, focusing instead on the prospect of additional investigations into failing crypto firms and ongoing work with Secretary Yellen on a government-wide regulatory framework.