



# *FedFin Daily Briefing*

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Tuesday, January 24, 2023

## **FSB Chair Presses Need to Finalize Global Crypto Standards**

In [remarks](#) today, FSB Chair Klaas Knot reiterated FSB's 2023 priorities regarding NBF, crypto, and climate change risks, also emphasizing that the FSB seeks to improve financial resilience rather than predicting the cause of the next financial crisis. He notes that the current lack of global crypto standards may be of systemic concern, stressing the need to finalize the 2022 FSB crypto framework ([see FSM Report CRYPTO34](#)). Mr. Knot also reiterated FSB's commitment to reviewing and improving its MMF and OEF [recommendations](#), furthering work on nonbank margining practices, finalizing its climate disclosure standards, and [improving](#) climate data availability and monitoring. Timing is not given for any of these actions.

## **McHenry, Hill Suggest Crypto Action Plan**

In a new [tweet](#), HFSC Chairman McHenry (R-NC) emphasized the crypto plan he discussed earlier in a media [interview](#). Specifically, he indicated that he will continue the series of FTX [hearings](#) in February started under former Chairwoman Waters (D-CA), with legislation coming out of the committee by summer. While Mr. McHenry did not indicate what bill he plans, he did say that third-party intermediaries and the companies that serve as on and off ramps to the system do not adhere to banking standards or properly hold assets. McHenry stated that this enables "fraudsters" to "take advantage of a good product," emphasizing the need for consumer protections and transparency. Meanwhile Rep. Hill (R-AK), incoming chair of the Subcommittee on Digital Assets, Financial Technology and Inclusion, [today](#) also spoke with media about potential crypto legislation, saying that the chamber's approach to stablecoins would build on the work already done by Reps. [McHenry and Waters](#), noting he has reached no conclusion about which agency should take regulatory charge.

## **Brown, Van Hollen Press Tough TLAC, Regional-Bank Resolvability Rule**

Senate Banking Committee Chairman Brown (D-OH) and Sen. Van Hollen (D-MD) sent a [letter](#) to FDIC Chairman Gruenberg and FRB Vice Chair Barr late yesterday praising the agencies' recent ANPR on large bank resolution standards ([see FSM Report RESOLVE48](#)), calling for TLAC that prevents taxpayer bailouts in the event of failure. As noted, TLAC or something akin to it is included in the proposed rule, drawing sharp counter-attacks from affected banking organizations. Contending that loss absorption is the responsibility of banks and their investors, the senators also support separability and robust contingency capital requirements.

## **CFPB Kicks Off Credit Card Regulatory Rewrite**

Following its credit card late-fee notice of proposed rulemaking ([see FSM Report CREDITCARD35](#)), the CFPB today [sought comment](#) on the credit card sector as a whole for its biennial review of the industry. We will shortly provide clients with an in-depth analysis, with the Bureau interestingly adding safety and soundness to its list of issues on which comment is solicited, despite its lack of jurisdiction on this matter. The agency also seeks comment on disclosure practice, UDAAP consideration, risk-based pricing, inclusion, and innovation. Comment is due by April 24.

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### Recent Files Available for Downloading

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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](http://www.fedfin.com) or clients may obtain the reports/analyses by e-mailing [info@fedfin.com](mailto:info@fedfin.com) giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- [GSE-012323](#): Under Director Thompson, FHFA's top policy priority is [equitable housing](#).
- [CONSUMER48](#): Building on its proposed nonbank registry related to enforcement orders, the CFPB is now also proposing a public registry requiring posting of provisions in consumer-finance contracts the agency believes threaten consumer legal or free-speech rights when issued by supervised nonbanks.
- [GSE-011923](#): We will shortly send clients an in-depth analysis of the CFPB's latest controversial [proposal](#) which would establish a public registry on which supervised nonbanks would file a lot of data on any form contracts they require which includes covered provisions the Bureau thinks unfairly and even dangerously lead consumers to abandon important protections.
- [CRYPTO38](#): Karen Petrou's [memo](#) earlier this week and her comments to the [American Banker](#) about Silvergate have sparked many client questions.
- [GSE-011123](#): As the Fed has hiked interest rates, mortgage rates have of course also gone up, sending a sudden chill through the residential market and putting home ownership even more out of reach for all but those for whom the home equity they still have after prices correct suffices for long-term wealth accumulation.
- [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.
- [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.

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