



# *FedFin Daily Briefing*

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Monday, February 13, 2023

## **Bowman: Large-Bank Supervisory Guidance to Come, Capital Reform to Exempt Smaller Banks**

FRB Gov. Bowman [today](#) acknowledged that, while Fed supervision and regulation must be independent of political objectives, they must also be accountable and therefore transparent, predictable, and tailored. To achieve these goals, the Board will soon publish long-awaited supervisory criteria used to judge the largest and most interconnected banks. Ms. Bowman also called for greater clarity and speed in merger approvals, noting as she did that some transactions do pose novel supervisory concerns. The pending end-game [capital rules](#) will generally not apply to community banks, with the Fed governor implying – but not stating – that the revisions may also affect only Category 1, 2, and 3 banks under current tailoring standards ([see FSM Report SIFI34](#)).

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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-021323](#): FRB Gov. Bowman [today](#) acknowledged that, while Fed supervision and regulation must be independent of political objectives, they must also be accountable and therefore transparent, predictable, and tailored.
- [CREDITCARD36](#): Following on a controversial advance notice of proposed rulemaking, the CFPB has now released an NPR setting specific standards for credit-card late fees that also eliminates the inflation adjustments established by the Federal Reserve when implementing the 2009 credit-card law.
- [GSE-020623](#): A new [post](#) from the Federal Reserve Bank of Atlanta summarizes key findings from recent pandemic-era mortgage refinancing research, reiterating [prior findings](#) that more White mortgage borrowers got lower refinancing interest rates in 2020 compared to Blacks.
- [CHARTER29](#): In conjunction with rejecting an uninsured crypto bank's application for Federal Reserve membership, the Federal Reserve issued a policy statement conforming state member bank powers only to those authorized for national banks even if the state member is an uninsured depository institution.
- [CONSUMER49](#): Using one of its controversial edicts to set what some consider a new rule, the CFPB has opined that negative-option or "subscription" marketing of consumer-financial products or services may be unfair, deceptive, or abusive (UDAAP) and thus subject to significant sanction for both the provider and any third parties with which it works.

- [\*\*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.