



## **Bipartisan Cash-Acceptance Bill Reintroduced**

The chairman of Senate Foreign Relations and Banking Committee member Menendez (D-NJ) yesterday reintroduced bipartisan legislation (S. 1984) along with Rep. Payne (D-NJ) (H.R. 4128) to require retail businesses to accept cash for in-person transactions. As with earlier versions ([see FSM Report ACCESS3](#)), the measure establishes a federal cash-acceptance mandate. As with prohibitions on merchant cash refusal in the members' state, the legislation seeks to increase payment options for LMI households for whom cash remains a critical payment instrument as well as preserve privacy. Covered businesses, which include those accepting payment for communications and Internet services, would be prohibited from posting notices stating that cash is not accepted or charging a higher price for cash use. Cash must also be accepted for transactions of less than \$2,000. Violations would be subject to civil penalties. It is unclear if this bill has better chances of adoption in this Congress than earlier ones, but GOP opposition to CBDC may add momentum to a cash-acceptance mandate.

## **CFPB Renews Mortgage-Servicing Rewrite**

In a [blog post](#) today, CFPB Director Chopra highlighted an issue that failed to come up at hearings earlier this week ([see Client Report CONSUMER51](#)): mortgage servicing. The post summarizes comments from a 2022 RFI ([see FSM Report MORTGAGE121](#)) reiterating the Bureau's determination to restructure this sector and now promising a new rule reflecting them. "Petitions" now are welcomes as the agency finalizes its proposal, with Mr. Chopra providing no timeline for release. The post does, though, focus in part on the fact that consumers do not choose their servicer. In the past, this has led to CFPB actions to enhance transparency, require choice, and eliminate "junk fees." These are not directly referenced in the post, but we wonder at the coincidence of this post and the White House high-profile event today announcing the end of back-end fees in ticketing and travel services.

## **Senate Democrats Focus On P2P Consumer Protection**

Reflecting recent CFPB concerns and a consumer [warning](#), Senate Banking Committee Chairman Brown (D-OH) along with Sens. Reed (D-RI), Warren (D-MA), and Menendez (D-NJ) today [sent letters](#) to the CEOs of PayPal and Cash App requesting consumer-fraud and scam data as well as steps the companies are taking to protect consumers. Citing significant transaction volume on Cash App and Venmo, the senators take issue with what they describe as slow-moving consumer-protection policies and the lack of public fraud and scams data. The letters seek information on the number of fraud and scam reports over the last five year and steps to identify and eliminate fraudulent accounts and activity on the apps. Responses are requested by June 30, a very short turn-around suggesting hearings are on tap after the July 4 recess.

## **IMF Sees Regional-Bank Risk, Urges Fast Action**

The IMF's financial-stability report for the United States today [details](#) recent macroeconomic-, fiscal-, monetary-, and financial-policy developments, with the Fund's executive directors (including that of the U.S.) emphasizing in response the need to prioritize inflation-fighting over fiscal tightening. Reducing inflation to target will, they say, require high rates for an "extended" time period, creating global and U.S. systemic risk. The Fed is urged to communicate as clearly as possible and the U.S. is also asked to monitor bank stability carefully despite the report's praise for the Fed's new facility and the decision to back uninsured deposits. The executive directors also conclude that smaller banks pose systemic risk, urging action on

tougher stress tests, more stringent and better aligned capital and liquidity standards, Basel III compliance, and “more assertive” supervision.

## FHFA Housing Equity Session Provides Little Insight

We had intended to listen through today’s FHFA equitable finance listening session, but its opening indicated that it will not address the pending regulatory [rewrite](#). Instead, the session began with FHFA indicating little beyond the importance of advancing equitable housing outcomes and Fannie and Freddie detailing their housing plans. The HUD witness appeared confused by the point of her participation, asking FHFA a question instead of speaking to its request. The MBA offered its recommendations for the 2024 plan, including expanding special purpose credit programs, streamlining scorecard definitions, and providing expertise for multifamily tenant protection. Other witnesses included the ICBA and housing and mortgage groups.

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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-061523](#)**: The FHFA’s [report to Congress](#) this year was eagerly awaited to see if it shed any insight into what FHFA might do after its listening [sessions](#) and Sandra Thompson’s [promise](#) to do something sometime soon about the Home Loan Banks.
- **[CONSUMER51](#)**: With Rep. Andy Barr (R-KY) leading the attack with an accusation of CFPB “McCarthyism,” today’s HFSC hearing with Director Chopra tracked much in yesterday’s Senate Banking [session](#).
- **[REFORM227](#)**: Treasury Secretary Yellen was pressed at today’s HFSC hearing to comment on pending bank capital standards, the scope of FDIC coverage, and failed-bank resolutions.
- **[CONSUMER50](#)**: Reflecting Acting Comptroller Hsu’s focus on consumer protection, fairness, and inclusion, the OCC is seeking views on what could become an annual survey of what consumers and especially bank customers think of their bank.
- **[VENDOR10](#)**: After frequently citing third-party relationships and outsourcing as worrisome risk, the banking agencies have now finalized guidance first proposed in 2021 to govern them.
- **[GSE-060823](#)**: As we will detail in a forthcoming in-depth report, the banking agencies’ new “guidance” on third-party vendors essentially brings all nonbank counterparties with whom banking organizations deal under the agencies’ enforcement thumb.
- **[COMPENSATION36](#)**: Sen. Warren (D-MA) has introduced a revised version of legislation to ensure that both the FDIC and other federal banking agencies can demand that executives and others governing failed banks refund direct and indirect compensation to the federal government.
- **[GSE-060223](#)**: As we detailed earlier this [week](#), the OCC’s new enforcement [policy](#) is a paradigm shift in terms of the legal and reputational risk run by national banks and federal thrifts – that is, by the depository institutions that matter the most to mortgage finance.
- **[CHINA17](#)**: While largely focused on countering fentanyl, today’s Senate Banking hearing on China, saw Committee Democrats try to ascertain the details of a potential outbound investment [executive order](#) and

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Republicans addressing what they believe to be shortcomings in data privacy, AML regulation, and sanctions policy.

- **[SUPERVISION2](#)**: Following a speech earlier this year by the Acting Comptroller arguing that some banks are “too big to manage” and the furor caused by recent failures, the OCC has significantly revised its enforcement policy.
- **[GSE-052323](#)**: Today’s HFSC hearing with Sandra Thompson was the anti-LLPA event we [anticipated](#) when it came to Republicans that also saw the stout defense Democrats were sure to provide combined with FHFA’s resolute stand on doing nothing to change the LLPAs or guarantee-fees beyond what might come of the pending [RFI](#).
- **[REFORM226](#)**: Describing the CEOs’ statements at his last hearing as “the dog-ate-my-homework” excuses for grievous failings, Senate Banking Committee Chairman Brown (D-OH) also attacked Republicans for placing blame on monetary policy, not the culture of supervisory laxity he details with various quotes from Trump Administration officials.
- **[CRYPTO44](#)**: Although there were still considerable party-line differences of opinion on stablecoin legislation, today’s HFSC Digital-Assets Subcommittee hearing suggests that remaining divides are narrowing, increasing the odds of a new federal-regulatory framework.
- **[GSE-051723](#)**: With Republicans on the anti-LLPA warpath, FHFA is hoping to preserve as much of the current fee structure as possible without paying too high a political price, issuing a [request for information](#) (RFI) in hopes that letter-writing will keep everyone busy until Congress moves on to other matters.
- **[REFORM225](#)**: A joint hearing today of HFSC’s Financial Institutions and Oversight Subcommittees expanded on themes at yesterday’s full Committee session with bank regulators ([see Client Report REFORM224](#)) and Senate Banking’s session with SVB’s and SBNY’s [CEOs](#), with First Republic’s CEO now added to the Congressional firing line.
- **[REFORM224](#)**: In their first appearance following the reports on recent failures, FRB Vice Chairman Barr and FDIC Chairman Gruenberg were harshly criticized by Republicans for both the bank failures and recommended remedies.