



FSB Sees Climate-Risk Disclosure, Analytical Progress

The FSB today released a [progress report](#) on its Roadmap for Addressing Climate-Related Financial Risks that updates work toward the four key goals identified in its [2021 Roadmap](#). Progress is evident via the International Sustainability Standards Board's (ISSB) disclosure standards, with the FSB urging IOSCO quickly to endorse them. ISSB will also take over the monitoring of firm-level climate disclosure adoption from the FSB's taskforce next year, working also to handle inter-operability with domestic standards. Key progress on improving climate data includes the Network on Greening the Financial System's directory of data sources for financial sector stakeholders, with the FSB also developing a monitoring template to analyze the evolution of climate vulnerabilities and potential transmission and amplification channels. It will also prepare a report on transition plans and planning by financial and non-financial firms for financial stability through a new Transition Plans Working Group. The FSB will continue to publish annual progress reports on the Roadmap and will also consider new sustainability topics, such as nature-related risks.

New Lummis-Gillibrand Crypto Bill Faces Steep Odds

Sens. Lummis (R-WY) and Gillibrand (D-NY) yesterday introduced an [updated version](#) of their comprehensive crypto bill ([see FSM Report CRYPTO28](#)). Changes include increased consumer protection provisions, AML penalties, proof-of-reserves and asset segregation requirements, requirements for all cryptoassets – aside from truly decentralized ones – to register with the CFTC and requirements also for all payment stablecoins to be issued by financial institutions. The bill also now would give the SEC a greater – albeit still joint role – in setting crypto standards. These are significant concessions from the prior bill, but we still think it stands little chance of enactment. Key to crypto legislation will be action next week in HFSC and the extent to which it crafts federal standards that might encourage Senate Banking Committee Chairman Brown (D-OH) to favor legislative intervention.

FTC Settlement May Signal Move into Crypto Regulation

Wading into crypto regulation, the FTC today reached a [settlement](#) with the crypto platform Celsius Network, permanently barring it from handling customer assets and charging three executives with misleading customers. It remains to be seen if the FTC expands its enforcement scope to other crypto entities under SEC scrutiny for investor-related risks, but a growing FTC presence in this sector could cast a formidable shadow given the CFPB's more limited enforcement powers. The Commission alleges that the firm deceived users by falsely claiming that they could withdraw deposits at any time due to ample reserves and a \$750 million deposit insurance policy. Despite these promises, the FTC asserts that Celsius misappropriated customer assets, made a total of \$1.2 billion in unsecured loans, had only a small capital reserve, and did not have a \$750 million deposit insurance policy. Additionally, the both the [SEC](#) and [CFTC](#) have charged the platform and its founder with fraud.

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-071123:** As we detailed [yesterday](#), FRB Vice Chair Barr laid out what he called a holistic view of bank capital standards that encompasses [end-game rules](#), stress testing, post-SVB lessons, GSIB restrictions, and resolvability.
- **CAPITAL228:** FRB Vice Chairman Barr's speech [today](#) outlines near-term U.S. regulatory-capital policy, confirming our [earlier assessment](#) that a sweeping proposal will soon be released.
- **GSE-070523:** As an in-depth FedFin analysis today addresses ([see FSM Report REALESTATE25](#)), the banking agencies and NCUA late last week issued far-reaching [guidance](#) encouraging loan accommodations and even forbearance for troubled commercial real estate (CRE) projects, including multifamily obligations.
- **REALESTATE25:** The banking agencies and NCUA have agreed on a final policy statement providing guidance for how financial institutions are to handle troubled commercial real estate loans, giving banks considerable latitude to forbear when borrowers are unable to meet their obligations but are deemed to be able to pay at least some of it over time.
- **GSE-063023:** In non-public remarks ahead of a presentation by FedFin managing partner Karen Petrou, Sen. Jack Reed (D-RI) laid out what he thinks banking agencies will do next, doubtless based on what they've told him that they'll do next.
- **COMPENSATION37:** The Senate Banking Committee has overwhelmingly approved bipartisan legislation to reform executive compensation following larger insured-depository institution (IDI) failures, with parent-company executive compensation also at risk in some circumstances.
- **ESG4:** Late Friday, GOP HFSC Members issued a withering [report](#) criticizing the Biden Administration for using financial regulators to do its political bidding on ESG objectives that it believes "contort" financial regulators into political instrumentalities that put retail investors at risk.
- **GSE-062223:** A [Bloomberg article](#) tells a fascinating tale of high-flying personal real-estate investment and other alleged acts of self-dealing at the expense of the seemingly-hapless Federal Reserve Bank of San Francisco.
- **FEDERALRESERVE74:** Chairman Powell's HFSC appearance today led to unusually substantive discussion of pending financial-policy actions.
- **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.