



FedFin Daily Briefing

Friday, September 15, 2023

Warren Adds Interest-Rate Risk to Fed Concerns

Heightening her attack on Fed interest-rate hikes, Sen. Warren (D-MA) yesterday [pressed](#) Treasury Secretary Yellen for FSOC action addressing interest-rate risks. Those she highlights include unrealized bond losses, CRE hazard, and challenges in the leveraged-loan market. Citing Moody's recent credit [downgrade](#) of 10 regional banks, Ms. Warren voiced concern that interest rate risk still poses a systemic threat in these three areas and urged FSOC to act quickly to mitigate risk without suggesting specific actions. Instead, Sen. Warren asks the Secretary what actions FSOC has taken or will take to address interest rate risks, FSOC's interest rate risk assessment, and any challenges FSOC foresees in mitigating them. A deadline of September 30 is given for a response.

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](#).

- [LIVINGWILL23](#): Although a pending FDIC/FRB proposal imposes a raft of new requirements for resolution plans from IDIs with over \$100 billion in assets, the FDIC has also issued a freestanding proposal doing the same, also setting information-filing standards for IDIs below \$100 billion but above \$50 billion.
- [CAPITAL235](#): With HFSC Chairman McHenry (R-NC) leading the way, GOP Members of the panel's Financial Institutions Subcommittee today blasted the banking agencies' end-game proposal ([see Client Report CAPITAL234](#)).
- [LIVINGWILL22](#): In conjunction with proposing a new long-term debt (LTD) requirement for categories II, III, and IV banks, the Fed and FDIC are pursuing other ways to enhance resolvability.
- [TLAC9](#): Building on an advance notice of proposed rulemaking, the banking agencies have issued several proposals to enhance the resolvability of large banking organizations not covered by stringent GSIB standards.
- [GSE-083123](#): As we noted [yesterday](#), the global banking, securities, and insurance regulators who comprise the Financial Stability Board (FSB) are heading back [to look](#) again at securitization to see if the post-08 framework it crafted still works.
- [GSIB22](#): As anticipated in the wake of recent bank failures, the FRB has proposed a significant revision to the current rules calculating systemic-risk scores that lead to GSIB designation.
- [CAPITAL234](#): With this report, we conclude our assessment of the regulatory-capital proposal with analysis of what the sum total of the credit ([see FSM Report CAPITAL231](#)), operational ([see FSM Report OPSRISK22](#)), and market ([see FSM Report CAPITAL233](#)) rules could do in the real world of banks, nonbanks, foreign banks, and complex market interconnections.
- [CAPITAL233](#): In this analysis, we turn to one of the costliest aspects of the proposed rewrite of U.S. regulatory-capital standards: the market-risk framework.