FedFin Daily Briefing

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Dems Slam Fed Climate Scenarios

Sens. Markey (D-MA), Warren (D-MA), Sanders (I-VT) and eight additional Democratic Senators and House Members sent a letter to Chair Powell today demanding that the Fed ensures that the financial institutions it oversees properly address the threat of climate change. Claiming that the Fed's climate pilot scenarios are not sufficiently rigorous, the letter demands that the Fed require banks to submit and execute plans to align their activities with climate targets, such as reducing financed emissions. They claim the Fed's authority to oversee bank safety and to mitigate risks to financial stability gives it the requisite authority. No deadline is given for a response and the Fed is of course under heavy GOP pressure to take none of the actions this letter seeks.

Top Treasury Official Sounds Big-Tech Payments Alarm

Treasury Assistant Secretary for Financial Institutions Graham Steele Friday warned that Big-Tech firms' entry into financial services could result in increased market concentration and predatory pricing, highlighting their ability to leverage existing commercial relationships as well as network effects. Mr. Steele also named consumer-data rights and junk fees as top priorities, praising the CFPB's actions on personal data (see FSM Report **DATA3**) and credit-card late fees (see FSM Report **CREDITCARD36**). He also recommends that regulators explore privacy-enhancing technologies in digital payments as well as payment-system offline capabilities to enhance financial inclusion.

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.

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