



Thursday, October 26, 2023

Senate Banking Focuses on Rapid-Fire Administration Action to Sanction Iran, Curb Hamas, Govern Crypto

Today's Senate Banking Hearing on Illicit Finance and Terrorism showcased [continued](#) bipartisan support for stronger Iranian sanctions as well as for secondary sanctions on traditional financial institutions and cryptoasset firms facilitating terrorism. In addition to highlighting their bipartisan [measure](#) targeting DeFi-related money laundering and sanctions evasion, Sens. Reed (D-RI) and Warner (D-VA) noted that they are working on a bill that would apply secondary sanctions on banks and DeFi entities that transact with foreign parties that facilitate terrorist financing. Chairman Brown (D-OH) called for broader anti-Iran policy, but he and fellow Democrats focused principally on pressing the Administration to act where it can against Iran as well as illicit crypto finance. Sen. Lummis (R-WY), a major crypto advocate, indicated that she sent a letter to Attorney General Garland [calling](#) on the DoJ to crack down on offshore crypto firms and to consider pressing charges against Binance and Tether for serving as intermediaries for Hamas and otherwise engaging in illicit activities. Echoing House Republicans [yesterday](#), Sen. Britt (R-AL), who served as Ranking Member today, called on Secretary Yellen to [testify](#) before the Committee to account for the Administration's release of \$6 billion in Iranian assets and was joined by Committee Republicans in supporting Ranking Member Scott's [bill](#) to freeze the funds.

Bipartisan Small-Business Leadership Opens New End-Game Front

Opening a new front of Congressional concern about the capital proposal's credit impacts, House Small Business Economic Growth Subcommittee Chairman Meuser (R-PA) along with Ranking Member Landsman (D-OH) and two others today sent a [letter](#) to FRB Chairman Powell and Vice Chair Barr "imploring" them to commission a comprehensive review of the capital proposal's effects on small business lending. They also ask that all the agencies counteract any negative repercussions of the proposal, noting that this might entail significantly easing capital requirements. Information regarding the proposal's downstream effects on small businesses and whether Vice Chair Barr considered small business interests in his holistic review is requested by November 15.

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](#).

- [DATA4](#): Following a request for information that was a de facto advance notice of proposed rulemaking, the CFPB has now proposed a preliminary, but binding framework for consumer data rights covering consumer "transaction" accounts offered by banks, credit unions, and – a departure from the initial outline – nonbanks/fintechs.
- [GSE-102323](#): As noted in our report [earlier today](#), the Federal Reserve's latest financial-stability [report](#) expresses deep misgivings about complex securitizations.
- [SYSTEMIC97](#): As [promised](#), this in-depth report assesses Friday's semiannual financial-stability report from the Federal Reserve.

- **[DEPOSITINSURANCE122](#)**: Bipartisan senators have introduced legislation to provide FDIC coverage for certain noninterest-bearing transaction accounts, a move designed to prevent the stress and potential systemic risk evident when Silicon Valley and Signature Banks failed in March.
- **[GSE-101723](#)**: [As we noted](#) earlier this month, the Federal Reserve inserted a significant capital provision for credit-linked notes in an otherwise-obscure FAQ.
- **[GSE-101623](#)**: The White House today rolled out a [new housing plan](#) that smacks mightily of many old housing plans.
- **[GSE-101323a](#)**: With smaller lenders [today](#) joining MBA, NAR, and HomeBuilders' [campaign](#) to squeeze the 30-10 spread, we take a look at the odds the White House, Fed, or Treasury will do as hoped.
- **[GSE-101323](#)**: As we noted yesterday, OMB's Office of Information and Regulatory Affairs (OIRA) has pronounced a new pro-competition standard for all existing and prospective federal regulations.
- **[CONSUMER52](#)**: Using its advisory process to issue guidance that may lead to enforcement actions, the Bureau has for the first time set standards for the obligations of large banks and credit unions to respond to certain consumer inquiries.
- **[REFORM228](#)**: As we [noted](#) yesterday, the Basel Committee's October meeting concluded not only with plans for new disclosure consultations, but also a [report](#) on lessons learned from the 2023 crisis.
- **[GSE-100223](#)**: As we noted earlier today, the FRB has issued a seemingly technical [FAQ](#) liberalizing the treatment of certain credit-linked notes.