



FedFin Daily Briefing

Wednesday, November 8, 2023

BIS: No Stablecoin Peg Has Held

Ahead of HFSC Chairman McHenry's [push](#) for new stablecoin legislation, the BIS today issued a [report](#) looking at 68 stablecoins and found that not a single stablecoin tied to fiat-currency or similarly-robust assets sustained parity with its peg at all times, regardless of size or type of backing. The paper also suggests that there is no guarantee that issuers of stablecoins would be able to redeem stablecoins on demand or in full and identifies younger coins and unbacked coins as more price volatile. The report thus concludes that current stablecoins do not meet the criteria to be considered a safe store of value or reliable method of payment in the real economy, stressing the need for further stablecoin data to properly assess potential risks to financial stability. The paper also concludes that regulation alone may not be a sufficient solution to stablecoin challenges.

Gruenberg, Barr Say Agencies Must Work With Banks to Implement CRA Standards

Commenting today on CRA, FDIC Chairman Gruenberg indicated that he is looking forward to working with banks to "figure out" how to make the rule work in critical areas such as the retail-lending and community-development lending tests. Vice Chair Barr and Acting Comptroller Hsu also highlighted implementation challenges, but all strongly supported the rule as a major advance sure to support community development and modernize banking requirements. Mr. Barr said that race plays a "central role" in the financial system, noting numerous provisions in the CRA standards designed to expand financial inclusion and increase incentives for banks to reach underserved communities. Mr. Hsu also cited the rule's racial-equity benefits.

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-110823](#)**: Although FHFA calls its [FHLB report](#) a centenary event ahead of the System's 2032 birthday, the agency clearly plans structural substantive reform well before that milestone.
- **[CLIMATE17](#)**: The banking agencies have joined together to issue inter-agency climate-risk guidance based on proposed standards from the FDIC, OCC and FRB.
- **[INTERCHANGE12](#)**: As suggested when the Fed last year finalized controversial new debit-card routing requirements, the central bank is now proposing a sharp reduction in the cap mandated on debit-card interchange fees under the Dodd-Frank Act's Durbin Amendment for debit-card issuers with over \$10 billion in assets.
- **[AI3](#)**: In this report, we assess the detailed [executive order](#) (EO) issued late Monday afternoon after days of private showings of selected versions.
- **[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.