



FedFin Daily Briefing

Tuesday, November 14, 2023

Comment Deadline Set for Debit-Card Interchange Fee Cap

The *Federal Register* today [includes](#) the Federal Reserve's proposed sharp reduction in the cap for debit-card interchange fees. As previously noted ([see FSM Report INTERCHANGE12](#)), the reduction is premised on the Fed's finding of lowered debit-card costs, but its methodology is largely unchanged and thus may not reflect current and prospective costs such as those associated with pending deposit-insurance, capital, liquidity, CRA, and open-banking standards. Comment is due by February 12.

FSB Hones in on Insurance Company Risk, Resolvability

At its [plenary meeting](#) over the last two days, the FSB reviewed its longstanding priorities in areas such as NBFIs, climate risk, and cryptoassets. The most notable change in priorities comes with renewed focus on insurance-company systemic risk due to challenging resolution. IAIS presented the FSB with an updated report on these issues, which FSB plans to address in a forthcoming report looking more generally at resolution and systemic risk in light of recent events in the U.S., Switzerland, and U.K. The FSB and IOSCO are also looking hard at liquidity mismatches in open-end funds, but what will be done about them remains unclear.

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](#).

- [REFORM229](#): Today's Senate Banking hearing with top bank regulators showcased broad bipartisan concern over the interagency capital proposal ([see FSM Report CAPITAL230](#)).
- [SIFI37](#): In concert with finalizing a new systemic-risk methodology, the Financial Stability Oversight Council issued guidance that significantly rewrites the manner in which nonbanks are designated as systemically important financial institutions (SIFIs), largely retaining its initial proposal.
- [SYSTEMIC98](#): Rejecting the Trump Administration's hands-off approach to designating systemically-important nonbank financial institutions or activities and practices, the Biden Administration's FSOC has finalized its bifurcated proposals to designate systemic entities and another laying out an analytical approach to identifying systemic risk that would then guide firm and activity designation as well as Council staff coordination with primary federal regulators.
- [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.