



Thursday, February 15, 2024

## Bowman Focuses on Inclusive Cross-Border Payments

FRB Gov. Bowman today [emphasized](#) that national and global payment-system improvements must not only work for the financial system and payment providers, but also for end-users and broader inclusive growth. This is a policy challenge that, she said, cannot be resolved only by technology. Gov. Bowman supports ongoing efforts such as cross-border standard setting, but she cautions that inclusive policy is principally a national concern due to significant differences in technology access, education, and banking systems. Here, she specifically cites remittances in the U.S., drawing attention to problematic high fees reinforcing recent inter-agency guidance encouraging bank small-dollar lending. She does not mention CBDC.

## Senate Dems Resume Attack on Zelle

Retreating from his stand during a recent hearing that seemed to absolve Zelle ([see Client Report PAYMENT28](#)), Senate Banking Chairman Brown, (D-OH) along with Sens. Warren (D-MA) and Reed (D-RI), today [sent](#) a letter reiterating calls for Zelle to clarify its reimbursement policy for impostor scams. The letter also demands that Zelle revise its reimbursement policy to cover other scams and to streamline its reporting process, demanding a new public commitment to doing so. The Senators request information on the most common types of scams on the platform, and the amount of reported fraud and refunds. A response is requested by March 13.

## Waller Sees Impregnable Dollar Dominance

FRB Gov. Waller today [mounted](#) a strong defense not only of the dollar as the globe's reserve currency under current conditions, but also even as digital currencies become more widely deployed. This stand is consistent with those at the FRB opposing proposals in Congress to advance a CBDC on grounds that it is essential to preserve reserve-currency status ([see FSM Report CBDC10](#)) and signals no interest in the U.S. central bank to making any other payment-system changes to press sanctions policy with the dollar's dominance in mind.

---

### 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](http://www.fedfin.com) or clients may obtain the reports/analyses by e-mailing [info@fedfin.com](mailto:info@fedfin.com) giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- [STRESS32](#): In this report, we assess the strategic and policy implications of the Fed's new [stress-test regime](#).
- [LIQUIDITY34](#): Today's HFSC Financial Institutions hearing on emergency liquidity featured much discussion of reform, but few indications of any action Congress will take to advance it apart from support for pending agency efforts to enhance discount-window [readiness](#).
- [FSOC31](#): Treasury Secretary Yellen's hearing today before Senate Banking followed the path set in Tuesday's HFSC session ([see Client Report FSOC30](#)), with Ms. Yellen refusing to take a stand on matters such as the capital rules and banking-agency supervisory effectiveness.

- **FSOC30**: As [anticipated](#), today's HFSC hearing with Treasury Secretary and FSOC Chair Yellen showcased sharp Republican criticism of the Council's nonbank designation authority ([see FSM Report SIFI36](#)), with Chairman McHenry (R-NC) and Financial Institutions Subcommittee Chairman Barr (R-KY) citing the guidance as yet another example of regulatory politicization, calling FSOC a "rogue" and "roving" regulator.
- **MERGER14**: Although all of the banking agencies have for years promised a new bank-merger policy, none has proposed one until this OCC rulemaking.
- **PAYMENT28**: Today's Senate Banking Committee hearing on scams and fraud in the banking system focused on the rise of P2P payment app scams, the growing popularity of traditional methods of fraud executed via wire transfer and check fraud, and emerging crypto and AI risks.
- **AI5**: Although FSOC's latest annual report highlights AI risk, it does not request any express agency action, a hands-off approach that led to bipartisan legislation demanding a more forceful approach.
- **GSE-013124a**: Common-stock investors clearly [think so](#), but they're a notably speculative lot and more than likely wrong.
- **GSE-013124**: We have reviewed the 2024 scorecards FHFA [released](#) for Fannie and Freddie.
- **CONSUMER55**: The CFPB has followed up a controversial proposal to set prices for larger-bank overdrafts exempt from certain consumer standards with a proposal to simply ban certain non-sufficient fund (NSF) fees when banks decide in real time to decline a consumer-payment request.
- **GSE-012424**: In this report, we build on our previous analyses of the [mortgage implications of the pending capital rules](#), forecasting what's next for mortgage assets as the FRB, FDIC, and OCC wrestle with the mess Karen Petrou has elsewhere [argued](#) they brought upon themselves by careless analytics and political misjudgment.
- **OVERDRAFT12**: Building on a bulletin and circular from late 2022 warning banks about certain overdraft practices, the CFPB has now proposed a rule that would sharply and expressly limit fees for extensions of credit related to overdrawn transaction accounts unless the account comes under an array of consumer-protection requirements.