



Friday, March 8, 2024

Biden Continues Junk Fee Campaign

The President [continued](#) his attack on junk fees in the State of the Union, applauding the CFPB's new credit-card late fee [rule](#). The President also boasted about recent monetary [data](#), calling the American economy "the envy of the world" and called for Congress to pass Sen. Casey's (D-PA) bill to stop shrinkflation. President Biden also stated his plans to reduce title insurance fees for federally backed mortgages, an initiative begun by Fannie Mae endorsed just yesterday by [FHFA](#). The President also called for a \$5000 tax credit for first-time homebuyers, an initiative unlikely to advance in this Congress. He also called for a ban on AI voice impersonation and reiterated his efforts to stand up to China [economically](#).

FRB Finalizes FMU OpsRisk Update

The FRB today unanimously [voted](#) to finalize an update to rules governing operational risk-management for certain systemically-important financial market utilities (FMUs). The final updates are substantively similar to the [proposal](#) and would provide additional clarity to existing opsrisk requirements focused on incident management and notification; business continuity management and planning; third-party risk management; and review and testing of operational risk management measures. FMUs subject to the rule must comply with certain updates within 90 days and all updates by 180 days after *Register* publication.

CFPB Lays Groundwork for Mortgage Closing-Cost Regulation

Continuing its [campaign](#) against junk fees, the CFPB today released a [blog post](#) focusing on mortgage closing cost fees, stating that the agency will issue rules and guidance "as necessary" to improve competition and affordability in the coming months. The post states that median total loan costs increased 22 percent on home purchase loans from 2021 to 2022, noting that many of these costs are fixed and not affected by interest rates. The blog suggests that closing costs are increasing due to a lack of competition among loan providers and notes that the amount borrowers pay for title insurance often exceeds the risk. As we noted earlier, the President highlighted recent FHFA-approved changes to title insurance fees. The blog also identifies 25-400 percent increases in the price of scores and reports used for mortgage underwriting as an issue deserving "further scrutiny" and notes that the CFPB is continuing to monitor market trends regarding the recent rise in discount points. The post also calls for readers to submit complaints to the agency regarding problems with their mortgage or closing costs.

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](#).

- [FEDERALRESERVE75](#): As [expected](#), Republicans took turns grilling Chair Powell on the Basel III endgame proposal and calling for its withdrawal, and were likely pleased with the results.
- [CONSUMER56](#): The CFPB has issued a circular essentially banning digital and perhaps all other consumer-finance comparison-shopping and lead-generation tools for credit cards and other products not covered by prior orders.
- [GSE-021624](#): In this report, we build on our in-depth analysis yesterday of the Fed's new stress-test

scenarios to focus on their mortgage-market impact.

- **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](#).