



Friday, March 15, 2024

## Effective Date for Late-Fee Ban Set for May

Publication in the *Federal Register* today [sets](#) the effective date for the CFPB credit-card late fee regulation (see [FSM Report CREDITCARD37](#)) as May 14, 2024. The rule sets a controversial \$8 safe harbor for late fees by larger issuers and mandates a stringent fee-calculation methodology for smaller issuers. The Bureau did, however, forbear setting limits on other card fees such as those associated with over-limit purchases. Litigation contesting the rule is already in the works along with a GOP resolution to overturn it.

## Vance Goes for Nuclear Financial-Market Option vs. China

Sen. Vance (R-OH) has [introduced](#) S. 3945, a bill to ban China and entities it governs from U.S. capital, bond, and financial markets if Treasury determines that it has engaged in sovereign-debt restructuring in violation of global law and financial-market practice. The goal here is clearly to force China to cease the practice of throwing emerging-market debtors into default on debt it has extended while securing repayment or other beneficial treatment for itself. The bill reaches not only directly to U.S. markets, but also bans entities from facilitating access, meaning that foreign financial institutions doing business in the U.S., not just U.S.-domiciled ones, would be subject to sanction for a wide range of activities now underway with the PRC and Chinese entities and individuals. The scope of the measure makes it unlikely to be enacted, but its point may well be picked up in other forms as Congress continues to explore ways to sanction China.

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### Recent Files Available for Downloading

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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](#).

- [GSE-031524](#): If it wasn't clear before that the CFPB's [blog post](#) targeting "junk" mortgage fees meant business, NEC Director Brainard's [comments](#) endorsing it brought this on home.
- [CREDITCARD37](#): Following a very controversial proposal, the CFPB has finalized credit-card late-fee restrictions in a final rule that does not differ significantly from the proposal on its key point: elimination of the manner in which inflation adjustments are now made by credit-card lenders when it comes to late fees.
- [GSE-031224](#): The President's [FY25 budget](#) picks up FHFA's [recommendations](#), calling for statutory change to double the System's affordable-housing commitment.
- [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](#).
- **[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.