



## Senate GOP Tackles Card Fees

Joined by GOP Senators from credit-card domiciles, Senate Banking Ranking Member Scott (R-SC) yesterday led the expected Republican resolution overturning the CFPB's credit-card late fee rule ([see FSM Report CREDITCARD37](#)). It joins like-kind resolutions [from Rep. Barr](#) (R-KY) [and Ogles](#) (R-TN), with Mr. Barr's resolution the one likely to move to the House floor. There it is likely to eke out a narrow victory, but Senate action is unlikely and Presidential veto certain.

## Warren Starts Bargaining for Crypto-AML Standards

Throwing another wrinkle into the careworn face of efforts to pass stablecoin legislation, Sen. Warren (D-MA) yesterday sent a [letter](#) to Reps. McHenry (R-NC) and Waters (D-CA) arguing that their ongoing and apparently-hopeful efforts to craft stablecoin legislation may inadvertently amplify risk. We view this letter principally as a bargaining chip deployed by Sen. Warren to press Chair McHenry to accept her [bipartisan crypto-AML bill](#) so far facing steep GOP odds in the House. Rep. McHenry is known to view the stablecoin bill along with broader, more controversial regulatory-jurisdiction legislation, as legacy measures he would like to see enacted ahead of his resignation at the end of this session. The Warren letter argues that integrating stablecoins into the banking system poses an array of financial-stability risks, noting also those to national security if the coins are not subject to appropriate AML/CFT governance. We will shortly provide clients with an in-depth analysis of Senate Banking's hearing today at which a new Treasury plan to address AML risk will be presented; the plan continues Treasury's push for a stablecoin measure along McHenry-Water's lines along with crypto AML/CFT and numerous other provisions.

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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](#).

- [AML137](#): Senate Banking Committee's Hearing with Deputy Secretary Adeyemo reviewed the Administration's request for additional digital asset AML/CFT authority.
- [GSE-040824](#): It wasn't hard for us to forecast that, after NEC Director Brainard [endorsed](#) CFPB Director Chopra's jihad against mortgage "junk fees," that the discount points that received particular opprobrium would be moved up the priority ladder for federal restriction.
- [GSE-032924](#): Following FSOC's fulminations about [nonbank mortgage companies](#), FHFA in 2023 heightened its supervisory standards mandating GSE prudential governance of eligible seller servicers.
- [MERGER15](#): Following its 2022 request for input, the FDIC has released a formal proposal that would redefine the agency's bank-merger policy into one that will make it difficult for all but the smallest and simplest transactions within its jurisdiction to have the clear prospects for approval usually necessary in non-emergency transactions, subjecting other M&A applications to protracted review with a high likelihood of denial.
- [REFORM231](#): Today's HFSC hearing on global governance featured [expected](#) Republican attacks on what they called the opaque nature of U.S. interactions with international organizations, with Chairman McHenry (R-NC) promoting a draft bill requiring regulators to report dealings with global standard-setting groups to Congress.

- **[GSIB24](#)**: Reflecting concerns expressed about banks that window-dress key regulatory data as the post-crisis framework took shape, the Basel Committee has now issued a request for views on how to prevent this when it comes to GSIB calculations related to their surcharge or possible designation.
- **[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.