



G7 Backs NBF1 Reform

Although prioritizing Ukraine and broad statements about the global economy, the new [statement](#) from G7 finance ministers and central bankers also emphasizes the need to pursue the kind of NBF1 reforms advanced yesterday by the [FSB](#). The statement also endorses ongoing G20 crypto and cross-border payment work along with lengthy statements about the need to assess the macroeconomic implications of climate risk. Consistent with release during IMF/World Bank meetings, the G7 ministers also include a lengthy discussion of MDB reforms and the need to address EME debt burden.

Bowman Battles New Liquidity Regs

FRB Gov. Bowman today [reiterated](#) her conviction that sufficient contingency funding should be a matter between banks and supervisors, not a cause for new rules. As [noted](#), this is quiet, but direct, pushback against the liquidity proposal on which the OCC and FRB staff are working. She also expressed hope that the focus on new rules and supervisory standards does not distract from the need to ensure that banks – especially small and midsized ones – remain viable business enterprises.

Brown, Reed Press Big Banks on Wire Transfer Fraud

Building on their longstanding campaign pressing banks on [Zelle](#), Senate Banking Chair Brown (D-OH) and Sen. Reed (D-RI) today [sent letters](#) to the CEOs of JP Morgan, Wells Fargo, Bank of America, and Citi stating that banks have a responsibility to proactively monitor and prevent fraudulent wire transactions and should reimburse customers when these obligations are not met. The letter requests information on fraud prevalence and prevention along with reimbursement policies and what is required of consumers to assert a claim. A response is requested by May 2.

House Select Committee Targets Index-Fund Chinese Investments

Building on its prior [report](#) pressing financial institutions to address exposures to China and potential systemic risks, the House Select Committee on the CCP today released a bipartisan [report](#) sharply criticizing index-fund and asset managers for investing American savings in sanctioned Chinese companies associated with the PLA and/or human-rights abuses. While targeting Blackrock and MSCI, the report does note that these investments are not illegal, thus calling for legislation restricting investment in blacklisted companies and their affiliates, subsidiaries, and holding companies. Also reiterating its prior financial-stability concerns, the report presses for passage of H.R. 4451, which would require public companies to disclose PRC-related risks and the impact of a sudden change in market access. This new report also calls for Treasury and FSOC to release more detailed reports on U.S. portfolio holdings of all foreign securities on the basis of nationality and sector along with the amount of all PRC-related assets held by Americans and potential risks to the U.S. financial system.

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](#).

- **[MORTGAGE122](#)**: Although there was no need for further evidence that campaign season has begun, today's Senate Banking housing hearing surely confirmed it.
- **[GSE-041724](#)**: Just as the CFPB readies its assault on [cashout-refi discount fees](#) comes [FHFA's request](#) for views on a new Freddie Mac product that would give borrowers access to their locked-up equity without a new first lien at a higher rate or a traditional home-equity second riding piggyback atop the first lien.
- **[RESOLVE51](#)**: In its first public statement since 2013 about how it would execute an SPOE resolution ([see FSM Report RESOLVE23](#)), the FDIC yesterday released a [report](#) Chair Gruenberg [described](#) as demonstrating the FDIC's readiness to resolve a U.S. GSIB and the process it has developed for doing so under the orderly liquidation authority (OLA) provided in the Dodd-Frank Act ([see FSM Report SYSTEMIC30](#)).
- **[GSE-041024](#)**: *Bloomberg today* reports that the CFPB may simply ban consumer payment for lender title insurance.
- **[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.