



CFPB Hones Credit-Card Reward Complaints

Expanding its attack directly to credit-card rewards, the CFPB today issued a [blog](#) concluding that “excess” fees cause many consumers to pay more in interest and charges than for amortizing principal, compounding the pricing complexity the Bureau earlier this week [argued](#) deceives consumers and undermines effective comparison-shopping to the lower-cost options it believes smaller-card providers [provide](#). The blog also highlights the CFPB’s work to address comparison shopping, stating that credit cards manipulate these tools to obfuscate low-cost options ([see FSM Report CONSUMER56](#)). We expect all these conclusions to take on heightened prominence as the CFPB and Department of Transportation next week hold a hearing focusing on credit cards and airline rewards. The CFPB also now reiterates that it will monitor the amount of card fees and interest; whether it builds on this to advance still more policies – e.g., a reward-pricing policy – remains to be seen.

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](#).

- **MERGER16**: At today’s HFSC Financial Institutions Subcommittee hearing on bank mergers, Democrats said that larger mergers pose numerous risks while Republicans criticized the application-and-approval process as opaque and time-consuming.
- **GSE-043024**: In conjunction with releasing its new [fair-housing rule](#), FHFA yesterday also [created](#) a new office of “Public Interest Examination.”
- **ASSETMANAGEMENT8**: As we [noted](#), the FDIC board late last week faced the unusual and perhaps unprecedented situation of a staff resolution supported by its Chair and one Democratic Director that was countered by a different proposal from Republican Directors, with both options finally tabled due to objections from the Acting Comptroller.
- **SYSTEMIC99**: The latest Federal Reserve financial-stability [assessment](#) continues the Fed’s practice of detailing vulnerabilities without drawing bottom-line conclusions; the Board once did so, but ceased this practice after opining that the financial system’s risk was “moderate” shortly before the 2020 crash.
- **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.