Federal Financial Services Update
or
What is Going on in Washington?

Margaret Liu, Conference of State Bank Supervisors
NCSL Legislative Summit
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CSBS: Who We Are and What We Do

• Founded in 1902, we are the professional membership organization for state bank regulators
• Membership includes all 50 states, D.C. and other territories
• Partner Organizations:
  – AARMR (American Association of Residential Mortgage Regulators)
  – MTRA (Money Transmitter Regulators Association)
  – NACARA (North American Collection Agency Regulatory Assn)
  – NACCA (National Association of Consumer Credit Administrators)
  – NASCUS (National Association of State Credit Union Supervisors)
CSBS: Who We Are and What We Do

Our mission: Advancing the quality and effectiveness of state regulation and supervision of banking and financial services

- Education: Enhance the professionalism and knowledge of state regulators through training, certification and accreditation
- Advocacy: Represent the policy views of state banking and financial regulators
- Coordination: Facilitate coordination and collaboration among state and federal regulators
Overview

- The People
- The Issues
- CSBS Priorities
- What to Watch For
Congress by the Numbers

• House:
  – 232 Republicans
  – 200 Democrats

• Senate:
  – 52 Democrats
  – 46 Republicans
  – 2 Independents (caucus with Democrats)
The People: House Financial Services Comm.

- **New Chair: Jeb Hensarling (R-TX)**
  - Favors Small and Efficient Government
  - Focus on Housing Finance Reform
- **New Ranking Member: Maxine Waters (D-CA)**
  - Advocate of Affordable Housing
  - Focus on Mortgage Reform
The People: Senate Banking Committee

• Returning Chair: Tim Johnson (D-SD)
  – Community Bank Advocate
  – Support and Protect Dodd-Frank
  – Will Retire in 2014

• New Ranking Member: Mike Crapo (R-ID)
  – Community Bank Advocate
The People: Federal Regulators

- Consumer Financial Protection Bureau (CFPB)
- The Fed
  - Board of Governors
  - Twelve Regional Reserve Banks
- Federal Deposit Insurance Corporation (FDIC)
- Federal Housing Finance Agency (FHFA)
- Office of the Comptroller of the Currency (OCC)
Community Banking: Congress’s Approach

- Regulatory Environment
  - Bank Exam Fairness
- CLEAR Relief Act
- Right-sizing Regulation
  - Mortgage Rules
- GLB Privacy Notice Changes (H.R. 749; S. 635)
- SEC Registration Threshold Change for Thrift Holding Companies (H.R. 801)
Community Banking: Regulators’ Approach

- FDIC Community Banking Study
- Upcoming CSBS-Fed Community Banking Conference
- Ability to Repay and Qualified Mortgage Rule
- Basel III Rule
Community Banking: CSBS Policy Proposals

Right-Sizing Regulation

• Regulation should support community bank portfolio lending
• Recalibrate fair lending supervision to recognize relationship-based lending
• Application process should reflect the nature of the institution
• State bank regulatory representation on FDIC Board
Regulation and Regulators

- Information Sharing
- Cost-Benefit Analysis Proposals
- Consolidation
Too Big to Fail

- Breaking Up the Big Banks
- Reinstating Glass-Steagall
- Vitter-Brown Bill
- Vitter-Brown GAO Study of Mega Banks
Consumer Issues

• CFPB Oversight
• Payday Lending and Access to Credit
• Coordination Between State Regulators and the CFPB
Housing Finance Reform

- Role of Federal Government in the Mortgage Market
- Attracting Private Capital
- Standardization of Structures, Agreements and Data
- Mortgage Registry
- Smaller Institutions’ Access to Secondary Mortgage Market
- Support for Affordable Housing
Looking Ahead: What To Watch For

• Debt Ceiling
• Sequester
• Budget and Tax Reform
• Housing Finance Reform and Mortgage Policy
• Nominations
Thank You

Margaret Liu
mliu@csbs.org
202.728.5749