



MUTUAL ALERT

Banking and Credit Union Heads Signal A Suspension of Pending Major Regulatory Proposals Before Congress

Yesterday the House Financial Services Committee held hearings at which the Democratic appointees of the various banking agencies and the NCUA testified at their swan song appearances. For the testimony [See update.](#)

Much of the testimony was in response to bipartisan questions to FDIC Chair Gruenberg pressing him on his resignation date which he has given as the day before the inauguration. The significant takeaway from the testimony is the four agency heads signaled they will put any pending regulations on hold until former President Trump takes office. This means that the Fed's Basel end game, liquidity and long-term debt proposals, the FDIC's proposals on corporate governance, change in control, brokered deposits and compensation, and the OCC's rule on third party Fintech liability are all in suspension for now. What will happen when the new President takes office is the proposals will likely be withdrawn or significantly revised at the FDIC and OCC. However, Fed Vice Chair for Supervision Barr indicated he will not resign with Trump taking office which likely means there will be a battle over the Fed leadership.

With respect to credit unions, NCUA Chair Harper was questioned by Democrats on CRA and recent redlining charges brought against a Philadelphia credit union. Interestingly, he cited a state trend to adopt statutory requirements to apply CRA type requirements to credit unions.

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