Ballard Spahr LLP

Consumer Finance Monitor (Season 3, Episode 44): What a Blue Wave in the November 2020 Elections Could Mean for the Consumer Financial Services Industry

Speakers: Alan Kaplinsky, Tim Jenkins, Chris Willis, and Isaac Boltanksy

Alan Kaplinsky:

Welcome to the Consumer Finance Monitor Podcast, where we explore important new developments in the world of consumer financial services and what they mean for your business, your customers and the industry. I'm your host today, Alan Kaplinsky, and I chair the Consumer Financial Services Group at Ballard Spahr. For those of you who are not familiar with our Consumer Financial Services Group, I want to mention to you our Consumer Finance Monitor blog, which has been ongoing for almost 10 years, and also tell you that we regularly host webinars on subjects of interest to the consumer finance industry.

Alan Kaplinsky:

This podcast today is adapted from a webinar that we recently produced, that we thought was of sufficiently broad interest and sufficiently important, that we should make it available to our podcast listeners. So the name of our podcast today is What a Blue Wave in the November 2020 Elections Could Mean for the Consumer Financial Services Industry. While we're certainly not ready to predict the outcome of the election on November 3rd, there's no doubt that if Joe Biden wins the presidency and the Democrats retain control of the House and control the Senate from the Republicans, the potential implications for the consumer financial services industry are profound.

Alan Kaplinsky:

During today's webinar, we're going to discuss the current political landscape, which states are the battleground states that could determine control of the White House and the Senate, and a blue wave's potential implications, for among other things, leadership of the Consumer Financial Protection Bureau, the Federal Banking regulators, the FTC, the Department of Justice, the Department of Education and the Federal Communications Commission. We will also discuss implications for completed, as well as pending and future rulemakings of the CFPB and federal banking regulators. We'll talk about supervisory and enforcement activities and the priorities of the CFPB, FTC, federal banking regulators, DOJ, federal and state legislative initiatives, including those of state attorneys general and state financial services regulators.

Alan Kaplinsky:

So let me introduce you today to our presenters, and they are going to be Tim Jenkins. Tim is the partner in charge of our Government Relations practice in the DC office, he has for many, many years, indeed more than 30 years, has been doing government relations work and lobbying on behalf of the financial services industry. Next is my partner Chris Willis. Chris is the chair of our Consumer Financial Services Litigation Practice Group, and the Deputy Practice Leader of our entire Consumer Financial Services Group. Chris devotes much of his practice to following what's going on at the federal and state level with respect to government agencies, both advising clients on regulatory matters and supervisory matters, and even more importantly, defending them in enforcement matters.

Alan Kaplinsky:

Last, but certainly not least is our very special guest today, Isaac Boltansky. Isaac, who has been a regular guest on our programs in the past, is the Director of Policy Research of Compass Point Research and Trading. Compass Point is a broker dealer servicing institutional clients. The firm specializes in advising clients with respect to financial institutions. So I want to welcome both Tim, Chris, and of course, Isaac. So now with that introduction, I'm going to turn the program over to Chris.

Chris Wallis:

I'm going to spend a couple of minutes talking about how we would expect a series of Democratic victories in this upcoming election to impact the behavior of our regulatory agencies, both federal and state. So of course, I'm going to start with the CFPB. As we know, from the Supreme Court's ruling the Seila Law Case, the CFPB director is removable at will by the president, which means that you could have, if Biden wins the White House, a new CFPB director in late January 2021 or perhaps shortly thereafter.

Chris Wallis:

So let's assume the case where that happens and you have a new Democratically appointed head of the CFPB, what to expect I think is really largely driven by, in the first instance, the Democratic narrative on the CFPB as it exists today. If you listen to people like Elizabeth Warren or Sherrod Brown or others on the Democratic side of the aisle on Capitol Hill, the picture they paint is of an agency that has become the lapdog of industry, that is taking it easy on industry and making things better for the industry, and doing nothing to help consumers, and that exhibit-A for this is the very tepid rate of enforcement that the CFPB is engaging in, as compared to what it did under Richard Cordray.

Chris Wallis:

Now the thing is, I don't think this is a very fair characterization. I don't think it's very well grounded in reality, because I think the CFPB is not at all going easy on industry right now. It is true that the Bureau is resolving more matters in supervision than it used to under Cordray, but the Bureau is still very committed to protecting consumers and I see that in our everyday interactions with the agency. But if the Democrats gain control of the White House and therefore the power to appoint a new director to the agency, I think there will be a great impetus to make the narrative look true by appointing a CFPB director that will behave differently than Kathy Kraninger does.

Chris Wallis:

So I think what that means in general is a reversal of the trend that we have now, where more cases are handled in supervision, without resorting to enforcement, and taking a lot of those and putting them into enforcement. So that there will be public consent orders and civil monetary penalties and press releases, and I think there will be pressure as there was under the Cordray days to have large numbers in those consent orders in terms of dollars paid out, in order to basically showcase what the "real CFPB" is capable of doing when it's commanded by someone who is [inaudible 00:08:07] advocate.

Chris Wallis:

So my own expectation is, first of all, that the level of enforcement will pick up and that more matters will be referred from supervision to enforcement than we have become accustomed to over the last couple of years. Another area that I particularly will be watching out for, because it's particularly susceptible to changes in the political landscape, is fair lending. The idea of fair lending is one that was pursued very aggressively by the CFPB under Director Cordray, and even though the perception is that the Bureau is being less aggressive about it now, I don't think by the way that's actually true, because the CFPB just filed that very innovative Townstone Financial Case and has been doing a lot of stuff in supervision on fair lending.

Chris Wallis:

I think there will be an increased level of inventiveness in terms of the fair lending theories they can try. So I think we'll see more focus on fair lending from CFPB. Then the other things about the Bureau's behavior that I think are fair for us to project is about rulemaking. So for example, the Short Term, Small Dollar rulemaking, which has been flipping and flopping, and flipping and flopping between different administrations, is likely to flip or flop again to this time land again in a way that's negative to that industry. Then the Section 1071 rulemaking is underway right now, which is fair lending related, it's the Small Business Data Collection rule.

Chris Wallis:

So that one is actually on a court supervised timeline and so the CFPB just put out the SBREFA outline on it two or three weeks ago, something like that. But the question is, if there's a Democratically appointed director of the CFPB, will that rule be stripped then or made more onerous of the industry under a new administration, and would the court permit that to happen? Because as I said, the rulemaking is actually on a court supervised timeline because of a settlement that the CFPB agreed to in a lawsuit challenging its failure to go forward with that rulemaking.

Chris Wallis:

So those are some of the things that I expect from the CFPB, let's talk about some of the other agencies. With the OCC and FDIC, I think the action that we're likely to see very well could involve a reversal or erosion of the recent Madden Fix and True Lender rules that have been either announced or are in process by those two agencies. I think it's also likely that any desire to move in the direction of special purpose or fintech charters would likely be arrested by the Democrats, if they were able to control those agencies. Then recently we've seen for the first time in a long time the FDIC grant some new ILC charters, and we've seen approval of acquisitions of banks by fintech companies over the last several months.

Chris Wallis:

So that's something where I would also anticipate a change in the agency's behavior to be more restrictive and less tolerant about those sorts of innovations in the banking sector, or intrusion by fintech into owning banks or buying banks. With the FTC, we already have a very active FTC, and it's a five-member commission, it's not subject to immediate replacement by the Democrats. So I don't know that there's likely to be that much significant change. Andrew Smith is now the Head of the Bureau of Consumer Protection, he has been very active and very aggressive over the past couple of years, and I don't see any reason to believe that won't continue, despite a change in administration.

Chris Wallis:

Then finally, we have a brief comment on state attorneys general and state financial services regulators, like the New York DFS or the new California mini CFPB, the Department of Financial Perfection and Innovation. Those agencies had their operations awakened and their intensity of activities awakened by the 2008 mortgage crisis, and then by the formation of the CFPB in cooperation with the CFPB. Then they found new purpose under the Trump Administration by saying that they were filling the gap that was left by the CFPB falling down on the job under the control of the Republicans. But now, if we have a blue wave and we have the federal agencies back in Democratic hands, I think you're just going to see the same phenomenon that you did between 2011 and 2017, where there was a lot of halo effect around the CFPB that motivated the state agencies
to do a lot, and there was a lot of information sharing and cooperation between those parties, which also enabled more activity by the state agencies.

Chris Wallis:

So the state agencies I think aren't going to get less active now that they may no longer feel the need to fill the gap, they'll just stay at their current level of activity [inaudible 00:12:54] and receive I think pretty significant assistance from the CFPB. So those are the regulatory implications, and I'll take just one second now to answer a question that came in through the chat box, which is can Richard Cordray be reappointed to the directorship of the CFPB? I think the answer is technically yes, he can, I don't think it's likely that will occur. I haven't heard anybody suggesting that he's in contention for that, and I haven't heard him say he wants it, even though we had him on several of our webinars and I've spoken on other webinars with him over the past several months.

Chris Wallis:

But I think technically the answer is yes, but you will actually see a slide from Isaac later where we're going to talk about potential new directors for the CFPB under a Biden Administration. I won't spoil that surprise by talking about it before we get there. So let's keep moving with the content of the webinar and talk about legislation in the consumer finance area. Tim, do you want to talk to the audience about what legislation could happen if there's a blue wave?

Tim Jenkins:

Yes, thank you, Chris. Turning to the Legislative agenda and what would a blue wave mean for that, and I think what you do is look at, for the House Financial Services Committee in particular and the House in general, what they did in 116th Congress, because they passed a lot of bills, dozens out of committee and several on the House Floor, not surprisingly that all went to basically die on the vine in the Republican controlled Senate. But I think that those are significant in terms of where we should expect the House to pick up and then you would basically want to analyze what that means in terms of a Senate controlled by the Democrats and of Chairman Sherrod Brown, as we noted earlier.

Tim Jenkins:

So the focus in the last Congress, especially post-pandemic, was there was all sorts of COVID relief that was passed across the spectrum for consumer protections relating to evictions, relating to credit reporting, relating to bankruptcy, and so those are not unique to COVID reform. I think because a lot of them are also priorities in terms of independent of the COVID relief, but that certainly colored the agenda from the last Congress or this current Congress. It's interesting that there was a real emphasis, particularly on bills reported out of committee and the FCRA space, a lot of reform there. It's an industry, and area that I'm very familiar with, having worked with the industry for many, many years.

Tim Jenkins:

These issues were kicking around in the early '90s and they don't seem to necessarily go away. So issues relating to medical debt, service member protections, limits on providing reports in the context of employment purposes, the dispute resolution process, which has been a source of debate for a long time. The industry is now required to issue an annual free credit report, I remember that fight pretty well, and now it's moved to free credit scores with much more focus on transparency around what those scores mean and what consumers can do to protect themselves in terms of impacts on their score. Then adverse information and what should be considered in a credit report, and then the obsolescence period there.

Tim Jenkins:

So that was an area that was very active, I think particularly with the economy where it is, you should assume that's going to remain a real high priority. It's not necessarily a progressive only issue, it's quasi-populist as well. There are a lot of CFPB provisions basically dealing with making sure that the institution is going after, pursuing its mission statement broadly. The group today can speak more specifically on that. Payday lending reforms, capping interest rates, debt collections. Then I think fair housing and CRA with Speaker Waters are always going to be high on the agenda. So stay tuned, but I think that's really what we should be looking for in terms of the agenda.

Tim Jenkins:

Then the composition of the committees, again assuming the blue wave, you're going to have in the Senate a committee that is going to be more progressive than not, led my Sherrod Brown who I think is frankly, is quite progressive and more in the Warren camp than she is in the moderate camp, but it's a pretty significant caveat, the Senate Committee in the last Congress had Donnelly, Heitkamp ... I'm sorry, Warner, Donnelly, Heitkamp and Tester. If you look back at the 2018 Reg Relief Bill that was basically a midsize and small regional bank victory, particularly as it related to SFY, look at that blueprint and flip it on its head, because that's possibly how that Senate Committee might end up conducting itself.

Tim Jenkins:

Now if Jones loses, then that's one of the moderates that's off, and the question becomes with likely two more appointments to that committee, who are those members going to be? Will they more moderate than liberal? But there is a little bit of a backstop with those moderate Democrats on that committee, from a super-progressive agenda basically taking hold in the Senate. So I think as I said, the 2018 Reg Relief Bill, where four of the members basically left the caucus and they left Sherrod Brown and went over and passed it out at committee, and then you had 17 moderate senators that voted that bill out, along with Republicans.

Tim Jenkins:

So that I think is an interesting data point, the House will still be dominated by the progressives, there are some blue dogs and moderate Dems, new Dems on that committee, but you really have a very progressive not only leadership, but rank and file there. So expect that agenda to remain very progressive, but as I said, the questions is will it be tempered, mitigated by those more moderate Senate Democrats, and particularly if it's 50/50. That's a long way to go, and then the big elephant in the room is what happens with the filibuster? We could have a webinar on that alone, but I think it's really going to be a fascinating debate to see how it plays out in the Senate.

Tim Jenkins:

There will be forces that absolutely want to jam it down everybody's throat, but there are also a lot of more centrist traditionalist Democrats who have enough of a history in the Senate to have witnessed the pendulum swings with Democrats controlling and then Republicans controlling. This notion that paybacks are hell is something that's not lost on them, so I would actually be not bullish on the prospects of the filibuster being eliminated, and of course if it's not, then that 60 vote margin is a significant backstop in terms of progressive agenda items getting sent to the present. I'll stop there, thank you.

Isaac Boltansky:

Good afternoon, or good morning. My name is Isaac Boltansky, I will now go on with my brief presentation. First, thanks to the Ballard folks who invited me, they're who I go to with questions on consumer and mortgage finance, so it's my pleasure to get to work with them whenever possible. Second, there's this line in DC that where you sit is where you stand, and so I think it's always just important to highlight who you're working for. I am an analyst for hedge funds, mutual funds and institutional investors. I am not a lobbyist. My job is to try to synthesize and forecast outcomes for investors, so that's the lens through which I view the world.

Isaac Boltansky:

Third, I think Alan and Tim framed it perfectly, anyone who is coming to you right now and saying definitively they know what's going to happen with this election, you should look at with deep skepticism. You can have a relative comfort around the idea that the Democrats will keep the House, just based on the composition of the races, but goodness, the Senate is going to be volatile until election day and probably into the new year, if we need a runoff in Georgia, and there are 22 days until the election and who knows how many storyline changes that we're going to see between now and then as the new cycle is effectively measured in dog years at this point.

Isaac Boltansky:

So look, my goal is to briefly contour specific industry implications for financials, talk a little bit about the transition timelines, because I think that's vitally important, and then hammer home a point that Tim just made very well on the composition of the Senate. So you have in front of you a slide we put together going through each industry. Look, in the analysis we did, we bifurcated between legislative and regulatory risks, and so I'm going to try to follow that as closely as possible.

Isaac Boltansky:

Let's talk about banks. I have a slide later on that goes through banks in more detail, just so you have it for your own record, but at the highest level, I think it's important to think about all of these, banks included. With the overarching framework that financial services is a secondary issue for Democrats in this campaign, that is fact, but we should remain cognizant of two key points. Number one, financial services is going to come into focus whenever it intersects with the broader theme of economic equality and access. That's going to be one of the driving principles between a lot of what I'm going to talk about, whether it's at the CFPB with payday and overdrafts, or it's some of the Legislative proposals that I think will die on the vine, like I talked about, like postal banking and fed accounts.

Isaac Boltansky:

Number two, my first job in DC was working at the TARP Oversight Panel, which then was run by Professor Warren, now Senator Warren, and I have this belief that she will have a central role in staffing the Financial Regulatory alphabet soup from wherever she ends up there. Her favorite nominees are going to be both innovative and active. So once those people get into the seat, you will start to see change immediately. I'm going to briefly run through each of the items on these slides. Number one, for banks at the highest level on the Legislative side, I'm not bullish on anything like Glass-Steagall coming back. Instead, I think the focus really needs to be on what can be included in the Democrats' tax bill.

Isaac Boltansky:

That tax bill is going to be done via budget reconciliation, which we only need simple majorities in each chamber, if a series of certain byzantine requirements remain. Within that bill, we are going to see corporate rates go higher, but I do not think that you're going to get all the way up to 28%. I could see 25% or 26%, and that's informed by two things. Number one, there is a contingent of moderate red state Democrats in the Senate, and number two, hopefully we're going to be moving out of this economic shop. I think that will put some constraints on how much fiscal tightening we see from that reconciliation bill.

Isaac Boltansky:

Banks should also be aware of two separate proposals, the first is a Financial Transaction Tax, we're already seeing proposals like that kicked around in New Jersey and elsewhere. The FTT, as it's referred to, it's almost become this pot of gold in progressive circles, because the estimates suggest that it raises so much darn money. CBO says $777-billion dollars over a decade. Those estimates though are suspect, largely because there are some downstream implications with volume, et cetera. I know we will talk about the FTT, but I don't think that you get one, simply because it can be portrayed as a tax on retirees. That line has worked on the Hill for the past decade, and I'm betting on it working the Hill, especially with those centrist Democrats.

Isaac Boltansky:

We should also be cognizant that there has been a big bank tax in the past. President Obama was the first to roll it out, it was then referred to as a Crisis Responsibility Fee back in 2010. The Biden campaign has not embraced this, but I think it's going to be kicked around during this tax debate, because it's $100-billion dollars, and that's not nothing. On the administrative side, we'll talk about a bit more, but I really think banks should be aware of overdraft fees returning to the focus of the CFPB. I think that, when we think about the CFPB's to-do list, which I'll get into more, some of the first items are going to be picking up where Former Director Richard Cordray left off.

Isaac Boltansky:

On consumer, at the highest level for this group, number one with a bullet is I think they're going to reopen the Small Dollar Lending Rule. I think that we will see an effort to forth back into that role, the heart of what the Cordray era proposal had, which was the Ability to Repay Tax. I think that's going to take time, but I firmly believe that will be a priority. I also think that, and this answers one of the questions to a degree in the chat, I think we're going to have more pressure on the rent-a-charter or the rent-a-bank partnerships between fintech lenders and traditional depositories, both at the federal level, the OCC and FDIC in terms of supervision, but also at the state level, as evidenced by a recent settlement in Colorado.

Isaac Boltansky:

On Legislative, in consumer finance, we've got to be prepared as an industry to see nonstop interest rate cap headlines. This comes from Representative AOC and Senator Sanders, that we cap rates at 15%, that was just a messaging bill that could not make it through the next Senate, so I'm not worried about that. We also saw effectively a military [inaudible 00:28:59] expansion that would set a 36% cap on consumer loans, which actually has a more interesting intellectual hook. All said, you'll have to deal with a flood of these rate cap proposals, but it's incredibly difficult to see any of them being enacted on the federal level. Instead, what you've got to watch is how federal policy bleeds into the state level, and we saw that with AB-539 California and other efforts across the country.

Isaac Boltansky:

Credit bureaus in my view are one of the big losers from a blue wave. I think they will face considerably more enforcement risk from the CFPB, and you're going to have to deal with some Legislative proposals. This is something that Chairwoman Waters has pushed for and never got any traction obviously in the Senate, but we now know that the Biden campaign has embraced a proposal from Senator Sanders that would create a public credit reporting agency that "provide a nondiscriminatory credit reporting alternative to the private agencies." I don't see this bill, that proposal actually being enacted. I think that there are real problems with it, including who is overseeing that agency, who has final say in the algorithm, how it would actually work in terms of practical process in the market.

Isaac Boltansky:

But that type of bill is a thing that we're going to have to be prepared for. My call on this for clients is, as long as you can get comfortable with that headline risk, I think there's actually an opportunity downstream to do something proactive, which is to try to address some of the issues with alternative reporting. So I do think there's an opportunity to take some of the negative headlines and turn them into actually responsibly expanding credit, but it's going to be a torrent from COVID relief oversight straight through to this public crediting bureau proposal.

Isaac Boltansky:

I'm going to move a little bit more quickly here, I'm going to hit on just a couple items. Education finance, of course you're going to see more regulatory pressure, we know that. But to me, the most important question is how much can get done by Democrats legislatively in the Tax Reconciliation Bill to provide additional federal funding for tuition-free college? Because if you are able to do that, which has been one of the Biden campaigns proposals for families earning under $125K, then you will have less demand for private student lending. That can be done during the reconciliation process that we talked about before. To me, that's more important just from an operational standpoint than the added enforcement risk, which I think we all understand.

Isaac Boltansky:

We could do a whole call on mortgage policy, I think that mortgage and housing is one of the big winners in a blue wave scenario. The tent pole of the Biden Administration's plan with mortgage is affordability. That's it. I think that means that you would see more favorable pricing at the FHA, and eventually more favorable pricing at the FHFA, as well as a slew of other policies intended to expand access to credit and to assist with multifamily residents in terms of their affordability. The only caveat, and Chris hit this nail on the head, the one caveat is you will have more fair lending risk. To me, that really just underscores and amplifies the reality that I just don't see banks coming back to the FHA channel. When you've got the false claim risk there, it's just difficult for me to see banks jumping in the deep end on FHA.

Isaac Boltansky:

So look, credit expansion, good for mortgage lending, good for the entire industry, and there are some smart proposals in his platform that actually both parties have embraced, trying to increase the amount of supply, which is a huge issue when it comes to both residential and multifamily. I'm not going to spend any time on postal banking, you'll have to deal with the headlines. We had postal banking from 1911 to 1966, and a number of Democrats have focused on it as a part of this economic access theme that we've discussed. It's just not going to happen. The most you could expect is you get some studies around it and some trials perhaps.

Isaac Boltansky:

I'm going to skip this slide, you will have it for your records. This is something we've put together for clients basically contouring the fact that banks will have puts and takes in a blue wave. There are things that are undeniably negative, like a higher corporate tax rate. But something that gets missed, but I think is slowly being socialized into the conversation is there would likely be a fair amount of fiscal support in a blue wave. I think that's partly because law makers were unable to deliver any before the election, and I think it's also just part of the Biden tax plan, an expanded EITC, a childcare tax credit, so on and so forth. So this slide, which you will have for participating, I think goes through all of those puts and takes and hopefully provides a little bit of framing for how banks will live.

Isaac Boltansky:

The following slide on 18 goes through what I think are going to be some of the priorities if the CFPB's under new leadership. I think Chris really hit on this pretty well, as he always does. The one thing I will say is there is a race in my estimation in certain agencies to get things done before the election. This always happens, but I think the debt collection industry should be thankful that it looks like they're going to get their rule finalized. Because it is harder to change a rule once it's been finalized, and so that may not prove true for the Qualified Mortgage rulemaking, it's ongoing, so I think that it's important to highlight that debt collectors have waited and there have been numerous delays, but it seems like we'll have that third party finalized as per what Alan opened up with.

Isaac Boltansky:

All right, I'm taking three minutes for this, and then I'm going to hand it over. On slide 20, we have a handy-dandy chart going through each of the Financial Services Regulatory alphabet soup, as I mentioned. What we have in there are two data points. Number one is when determined, and the number two, are they removable? So I think the main point here is just to know some agencies, such as the CFPB and the OCC are going to be able to see their leadership change almost immediately in a blue wave. While other agencies, FTC, the FCC and noteworthy, the fed, are going to see staggered changes.

Isaac Boltansky:

This is always true that we don't know what retirements are going to look like and if we see two Republicans retire from the FTC for example, then suddenly you could get a majority Democrat there and you could see policy moving more quickly. But as of right now, with what we have, there are two tiers of the transition. The immediate, like the CFPB and the OCC, and then the staggered, which is the FTC, the fed and FCC. I want to talk just for a second about names at the CFPB and then FHFA. The name game is one of Washington's favorite parlor games, it is something that every conversation includes and everyone enjoys playing, including me, it's always fun, but we are all terrible at it.

Isaac Boltansky:

So I've pulled together a list of names that have been mentioned to me when discussing who the next CFPB director could be. Sorry, there we go. I think Katie Porter, the Representative from California who always bring a whiteboard to the hearing is going to have her name in the conversation. She also could end up replacing Senator Harris if tapped. We could also see Patrice Ficklin, who has stood up the Fair Lending Office at the CFPB. Rohit Chopra, who we know as student loan Ombudsman back in Cordray's day, could come over from the FTC and he could be it. My point to clients is clear, I don't actually care who is in that seat, because Liz Warren from her seat as US Senator, the Senior Senator for Massachusetts, or Treasury Secretary, which I think is unlikely, but possible, wherever she is, she is going to have a foundational and central role in staffing these agencies.

Isaac Boltansky:

I can tell you with absolute certainty, whoever goes through that process and gets her blessing and then the Banking Committee's blessing is going to have innovating and active and aggressive policies. The one caveat there is, we've got to know what the margin is in the Senate. Because if we do have a very large group of moderate centrist Democrats, then maybe some of the more progressive nominees can't make it through. That's not my bet, I'm going into this saying whoever gets blessed by Senator Warren to run the CFPB, the FHFA and everywhere else is going to be very active and most importantly, innovative in terms of how they apply the powers of their agencies.

Isaac Boltansky:

I have a few names here for the FHFA as well, but again, my main point is I don't care as much who is in that seat. What we will see is most likely a reversal of what Director Calabria has done in terms of the credit box and a reopening and reversal of core elements of the capital role, and we will see the march to ending the conservatorship most likely slowed or completely stalled.

Alan Kaplinsky:

I want to thank Chris and Isaac today, particularly Isaac, our outside guest, and I want to remind you that our podcasts are available on our website or on Spotify, Google Play, Apple Podcasts, or wherever you regularly obtain your podcast programs. Don't forget to check out our blog, Consumer Finance Monitor, for daily insights of the financial services industry. You should stay tuned each Thursday, except for a couple of weeks during the year when the holiday falls on the Thursday, when we will be releasing another podcast.