



Committee Update

Financial Services Committee – October 31, 2014



Friday Quick Hits

CFPB Releases Latest Supervisory Report, Exposes Violations – The CFPB released a [report](#) this week that covers supervisory activities mostly from March- June of this year. The report outlines debt collection violations and identifies violations in the student loan and mortgage servicing markets. Read more about homeowner loan violations in [Bloomberg](#), or get details about student loan practices in [Credit Union Times](#).

FDIC Survey: Number of Households without Bank Accounts Fell in 2013 – According to the latest [report](#) released this week by The Federal Deposit Insurance Corporation (FDIC), the number of U.S. households without bank accounts fell last year. The proportion of households without bank accounts declined to 7.7 percent in 2013 from 8.2 percent in 2011.

BPC Releases Report on Big Bank Breakup Arguments – On Tuesday, the Bipartisan Policy Center (BPC) [released a new report](#) examining options for breaking up large banks, concluding that there is little reason to believe that breaking up the largest institutions would reduce risks in the financial system over the long-term and may, in fact, exacerbate them.

Federal Reserve Ends Stimulus Program - On Wednesday, after six years of its massive stimulus program known as quantitative easing, [the Fed ended](#) its monthly bond buying program amid economic growth and an improving labor market. The Fed signaled that it will still support the economy through ultra-low interest rates that are likely to remain in place for some time.

US Economy Expands at 3.5% Rate in Third Quarter – From July to September this year, the economy grew at a solid 3.5 percent pace, according to the Department of Commerce. The [announcement](#) of the increased GDP exceeded expectations of private-sector forecasters and points to the consistent economic rebound that has taken place this year.

FINRA to Bolster Cybersecurity Oversight – The Financial Industry Regulatory Authority (FINRA), a Wall Street backed regulator, is rewriting its “examination priorities” to focus more on cybersecurity. The watchdog intends to publish its examination priorities in January, according to executive president of regulatory operations, Susan Axelrod, who [spoke Wednesday](#) at a SIFMA conference.

Home Depot Breach Cost Credit Unions \$60 Million – [Survey results](#) released by the Credit Union National Association (CUNA) on Thursday report that credit unions spent \$60 million following the data security breach at Home Depot in September, twice as much as the recent Target breach. The breach impacted 7.2 million consumer cards.

FSB Study Reveals Growing Shadow-banking Industry – The shadow banking industry grew by \$5 trillion this year, making it a \$75 trillion industry worldwide, according to a [report](#) published by the Financial Stability Board on Thursday. The shadow banking system, which includes hedge funds, real estate investment trusts and off-balance sheet investment vehicles, “tends to take off when strict banking regulations are in place, when real interest rates and yield spreads are low and investors search for higher returns, and when there is a large institutional demand for assets,” according to the report.

Nation's Long-term Debt a Top Factor for Voters - Eighty-two percent of Americans say the nation's \$17 trillion debt is the top issue in deciding how they will vote on Election Day, a new [poll](#) from the Peter G. Peterson Foundation shows. The Hill [reported](#) that the poll also found that voters want Congressional candidates to discuss their plans to reduce the nation's debt burden and to commit to work across party lines to solve fiscal challenges.