

CQ NEWS –

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Capitol Gains by CQ: Senate Banking to try again on nominees

Dec. 17, 2024 – 5:00 a.m. By Mark Schoeff Jr., CQ

Good morning. Welcome to the Dec. 17, 2024, Capitol Gains, the weekly CQ newsletter providing insight on congressional and regulatory developments in Washington affecting the financial markets, from Wall Street to Main Street. Due to the holidays ahead, the next Capitol Gains will be published on Tuesday, Jan. 7, 2025.

Toplines

1. Senate Banking set to vote again on regulators: After twice postponing a vote last week, Senate Banking is set to vote Wednesday on Caroline A. Crenshaw's reappointment to the Securities and Exchange Commission and Gordon I. Ito's nomination to the Financial Stability Oversight Council.

2. House Financial Services to add six new Republicans: The House GOP Steering Committee recommended Reps. [Maria Elvira Salazar](#) of Florida and [Lisa McClain](#) of Michigan— as well as four representatives-elect, Marlin Stutzman of Indiana, Troy Downing of Montana, Tim Moore of North Carolina and Mike Haridopolos of Florida for House Financial Services.

3. Schiff, Kim join Senate Banking: Newly minted Sens. [Adam B. Schiff](#), D-Calif., and [Andy Kim](#), D-N.J., arrived just in time for the panel's Dec. 11 hearing featuring Consumer Financial Protection Bureau Director Rohit Chopra.

4. Hill predicted to work well with Democrats, complement

Scott: As Rep. **French Hill**, R-Ark., steps into his role as House Financial Services chairman, a Democratic colleague says she has enjoyed working with him. His focus on community banking could mesh well with housing policies proposed by Senate Banking ranking member **Tim Scott**, R-S.C., the pending chairman of that panel.

5. CFPB ‘dead fish’ could flop beyond end of Biden

administration: Consumer Financial Protection Bureau Director Rohit Chopra indicated he will try to stay in his position beyond Jan 20, but is expected to be fired soon by new President Donald Trump.



Full briefing

1. Senate Banking Committee set to vote again on regulatory nominees

The Senate Banking Committee will try again this week to vote on nominees for the Securities and Exchange Commission and the Financial Stability Oversight Council.

The panel has scheduled a vote for 9:30 a.m. Wednesday, Dec. 18, on Caroline A. Crenshaw for reappointment as an SEC commissioner and Gordon I. Ito, a Hawaii insurance commissioner, to become a member of the Financial Stability Oversight Council.

Senate Banking Chairman **Sherrod Brown**, D-Ohio, twice postponed votes last Wednesday. He cited a lack of attendance at a morning markup, and Republicans refused to approve a waiver to Senate rules needed to allow an attempt to vote later in the afternoon.

Last week's vote was delayed amid partisan tensions over whether the confirmation decisions should be taken up weeks before a presidential transition.

Crenshaw also is facing resistance from the crypto industry. The Digital Chamber of Commerce cited her opposition when the SEC approved last January an exchange traded fund based on bitcoin.

“The dissenting opinion penned by Commissioner Crenshaw in the context of the SEC’s approval of spot Bitcoin exchange-traded products (ETPs), for example, highlights Commissioner Crenshaw’s overall negative view of the digital asset market and its participants,” Cody Carbone, president of The Digital Chamber, wrote in a **Dec. 11 letter** to Brown and Senate Banking ranking member **Tim Scott**, R-S.C.

Crenshaw received the backing of more than 40 consumer- and investor-protection organizations, including Public Citizen and Americans for Financial Reform.

“Caroline Crenshaw represents the best in public service,” **their Dec. 13 letter** to senators states. “[A] vote for Commissioner Crenshaw is a vote for average investors and for a functioning, bipartisan, SEC.”

If Crenshaw isn't confirmed it could leave the SEC with no Democratic members. Her fellow Democratic commissioner, Jaime Lizarraga, is stepping down Jan. 17 to care for his ailing wife. SEC Chairman Gary Gensler has said he will resign on Jan. 20. Crenshaw's term expires this year.

Read **more** about the fight over the nominations.

2. House Financial Services to add six new Republicans

The House Financial Services is set to welcome several new Republicans next year.

The House GOP Steering Committee recommended six new members for Financial Services at a meeting Dec. 13. They include two lawmakers currently in Congress — Reps. **Maria Elvira Salazar** of Florida and **Lisa McClain** of Michigan — as well as four representatives-elect, Marlin Stutzman of Indiana, Troy Downing of Montana, Tim Moore of North Carolina and Mike Haridopolos of Florida.

The recommendations are likely to be ratified by the entire House Republican Conference. Overall, House Financial Services will grow by one seat on each side.

Salazar currently is on the House Foreign Affairs and Small Business committees. First elected in 2020, she has sponsored bills that would bolster regional trade in the Western Hemisphere (**HR 7571**); would make Uruguay (**HR 6875**) and Ecuador (**HR 6414**) eligible for duty-free entry of exports to the U.S. under a 1983 law (PL 98-67); and would protect intellectual property rights for voice and visual likeness (**HR 9551**).

McClain also is a member of the Class of 2020 and currently is on the House Armed Services, Budget, Education and the Workforce; and Oversight and Accountability committees. Among the bills she has sponsored are measures that would eliminate the Head Start vaccine mandate (**HR 1019**), provide notification to women seeking abortion of the medical risks associated with the procedure (**HR 7044**) and make changes to the 1993 law known as the National Voter Registration Act (PL103-31).

Stutzman is returning to the House after having served his northeast Indiana district from 2011-17. He left the House to run for the Senate but was defeated in the 2016 primary.

Each of the representatives-elect who are joining the committee won their races decisively.

3. Schiff, Kim join Senate Banking Committee

The Senate Banking Committee already has welcomed two new members — Democrats **Adam B. Schiff** of California and **Andy Kim** of New Jersey.

They were both sworn in by Vice President Kamala Harris on Dec. 9. Schiff was elected to fill the remainder of the term of the late Democratic Sen. **Dianne Feinstein**. He replaces Sen. **Laphonza Butler**, D-Calif., who resigned after serving on an interim basis. Kim was elected to fill the unexpired term of Democratic Sen. **Bob Menendez**, who resigned after a conviction on corruption charges. Kim replaces Sen. **George S. Helmy**, who also served on an interim basis.

Schiff and Kim replaced Butler and Helmy on the Senate Banking Committee. They joined just in time for a Dec. 11 hearing featuring

Consumer Financial Protection Bureau Director Rohit Chopra.

Kim was the first senator to enter the hearing room. He looked around to familiarize himself with the setting and then took his seat at the far end of the Democratic side of the dais.

In his first question **as Banking member**, Kim asked Chopra about “customer service governance.” He noted that the CFPB over the last year fielded about 100,000 complaints from people in New Jersey and returned \$60 million to harmed consumers in the state.

Schiff focused on the use of artificial intelligence algorithms by landlords to set rent rates.

“I want to concentrate my few minutes, though, on really the top challenge that Californians are facing, and that is housing,” Schiff said.

4. Hill expected to work well with Democrats, complement Scott

As Rep. **French Hill**, R-Ark., steps into his role as chairman of the House Financial Services Committee, a former congressional aide foresees him working well with his Senate counterpart and his Democratic colleagues.

The House Republican Steering Committee voted Dec. 12 to recommend Hill as House Financial Services chairman over Reps. **Andy Barr**, R-Ky., **Bill Huizenga**, R-Mich., and **Frank D. Lucas**, R-Okla.

During his campaign for the chairmanship, Hill highlighted his background in the financial industry. Before he won his congressional

seat in 2014, he was the chairman and CEO of Delta Trust & Banking Corp., a Little Rock company he founded.

He stressed his industry experience on Nov. 14 when he released an **outline of policy changes** that he dubbed principles to “Make Community Banking Great Again.”

Hill’s focus on community banking meshes well with Scott’s plan **for changes to housing policy**, said Jonathan Skladany, a former Republican chief counsel for oversight at the House Financial Services Committee.

“They balance each other nicely,” said Skladany, a partner at Jenner & Block. “I can see a lot of work being done in each chamber ... with each of them leading in different areas.”

Hill is expected to have a good relationship with Democrats on the committee.

Rep. **Brittany Pettersen**, D-Colo., said she got to know Hill through committee efforts on technology issues. Hill chairs the panel’s Subcommittee on Digital Assets, Financial Technology and Inclusion.

“I’ve really enjoyed working with Congressman Hill,” Pettersen said on the sidelines of an American Fintech Council conference in November.

She also said she and Hill “brewed beer together” at a Capitol Hill event.

Good feelings across the aisle doesn’t necessarily mean the panel will approve most bills with bipartisan support. But it may avoid rancor.

“They’ll be able to do their work without the rank partisanship taking hold as it has on other committees,” Skladany said.

Read **more** about Hill's ascension to Financial Services chair.

5. CFPB 'dead fish' could flop beyond end of Biden administration

Consumer Financial Protection Bureau Director Rohit Chopra indicated he will try to stay in his position beyond the end of the Biden administration despite strong resistance from Republican lawmakers.

“Director Chopra, do you have any plans to resign from the CFPB on January 20th?” Senate Banking ranking member **Tim Scott**, R-S.C., asked at a Dec. 11 **hearing**.

Chopra said that he was appointed to a five-year term, and he intends to stay as long as he can. But he acknowledged that he can be fired by President-elect Donald Trump after Trump is sworn in.

“The president can remove us at any time, any day and we obviously completely respect that right,” Chopra said.

Scott, who is **set to ascend** to the chairmanship of Banking next year, doesn't just want Chopra to depart in January. Scott also referred to a **Nov. 17 letter** that he wrote to the White House in which he called for all financial regulators to cease rulemaking activity.

“But you have pressed forward with a final rule and two new proposals, since receiving that letter,” Scott said. “Can you explain why you were ignoring both my request and the clear mandate of the American people?”

Chopra said the CFPB, which has returned about \$21 billion to harmed customers over its 14-year history, must continue doing its work during the presidential transition.

“Well, I don't think it makes sense for the CFPB to be a dead fish,” Chopra said. “People between Election Day and Inauguration Day are still getting scammed. They're still being subjected to questionable account closures. They're still being the victims of so much wrongdoing.”

As if to prove his point, the CFPB released on Dec. 12 a final regulation that would tighten rules around **banks' overdraft charges**. One of the options in the rule is for banks to cap overdraft fees at \$5.

The **next final rule that could be released** would aim to prevent the inclusion of medical debt on credit reports. A couple Democratic senators said they wanted the CFPB to move forward with that proposal.

"Medical debt is often unanticipated, it's unplanned and it can be high even if someone is insured," said Sen. **Raphael Warnock**, D-Ga. "In a word, it's something that could happen to any one of us, can happen to anybody."

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Senate Banking postpones votes on SEC, Financial Stability nominees

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Events

Dec. 18, 9:30 a.m.: Senate Banking Committee markup on nominees for Securities and Exchange Commission and the Financial Stability Oversight Council. Dirksen 538.

Dec. 17-18: Federal Open Market Committee meeting.

Contact

Got a question, comment or feedback about Capitol Gains? Reach out to newsletter editor Mark Schoeff Jr. at mark.schoeff@CQRollCall.com.

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