



Financial Services Policy Outlook

THORN RUN PARTNERS

NEW PLAYERS IN TOWN

New leaders have ascended to the top of key financial services panels.



Elizabeth Warren



Tim Scott



French Hill

NEW PLAYERS IN TOWN

Trump has nominated new heads for key regulators, vacancies remain.

Treasury - Confirmed



Scott
Bessent

SEC - Nominated



Paul
Atkins

CFPB - Nominated



Jonathan
McKernan

VACANCIES

FDIC

SEC Dem
Commissioner

Fed Vice Chair
for
Supervision

Comptroller - Nominated



Jonathan
Gould

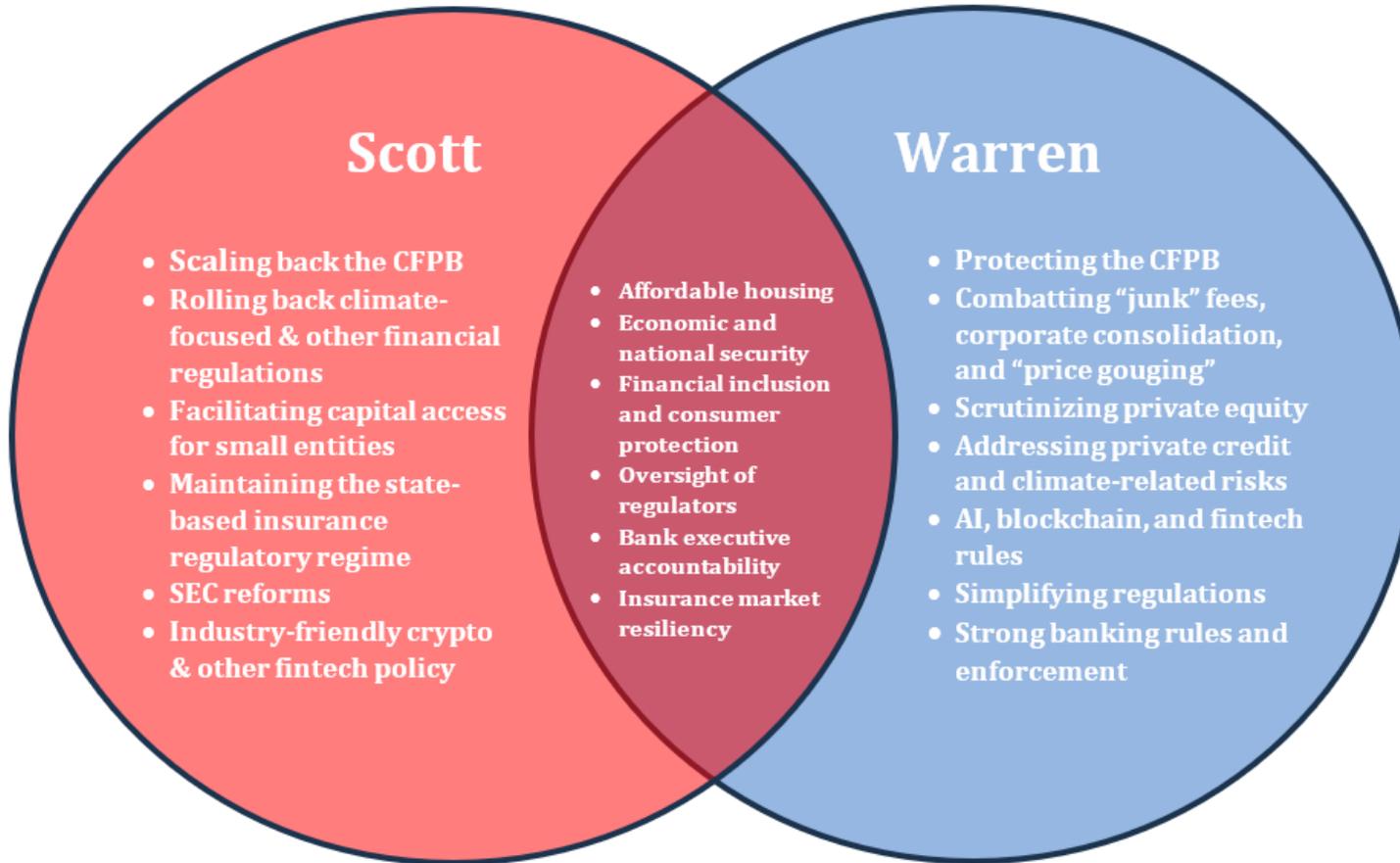
CFTC - Nominated



Brian
Quintenz

SENATE BANKING PRIORITIES

Comparing the priorities of [Scott](#) and [Warren](#).



HOUSE FINANCIAL SERVICES PRIORITIES

Examining the priorities of Chair French Hill.

Regulatory Reforms

- Amend BSA to limit spread of “Debanking.”
- Legislative remedy for 1071 Rule.
- Potentially Restructuring Financial Regulators.
- CFPB Reform
- Raise the CFPB supervision threshold.

Making Banking Great Again Agenda

- Reduce compliance burdens for smaller banks.
- Reform bank mergers & acquisitions.
- Allow regional Fed banks to oversee smaller bank mergers.
- Expand capital for smaller banks.
- Facilitate ownership transfers in family-owned banks.

Capital Markets

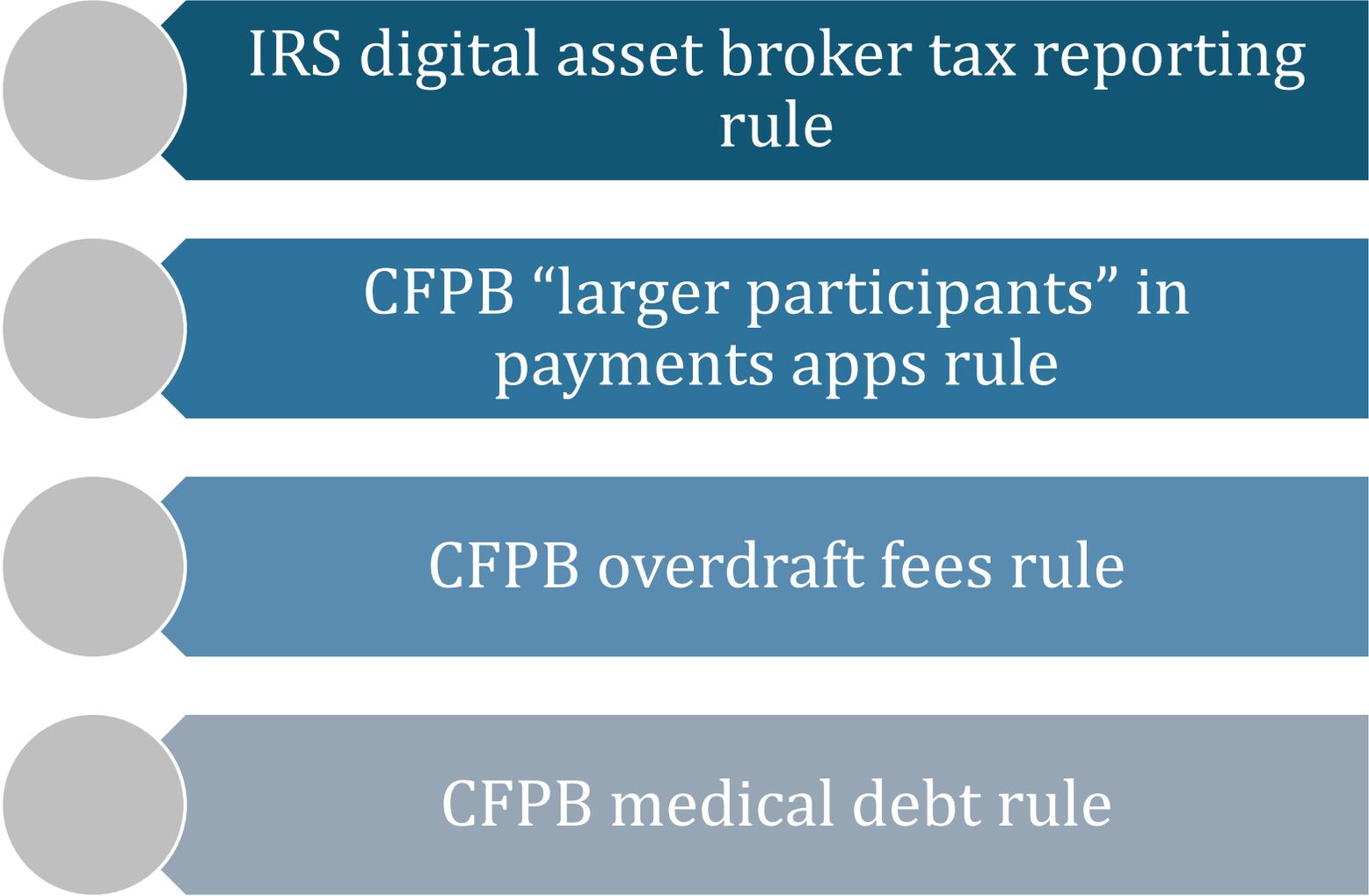
- SEC oversight and implementation of the JOBS Act.
- Corporate governance, market structure (i.e., JOBS Act 4.0).
- Examination of the PCAOB and accounting standards
- Legislation to signal regulatory changes that SEC should consider – e.g., e-Delivery.

Fintech and Innovation

- Encourage community bank partnerships with fintech firms and AI integration.
- Develop clear regulatory guidelines for fintech partnerships.
- Establish a market structure network for crypto.
- Provide regulatory certainty for stablecoins.

CONGRESSIONAL REVIEW ACT

Biden-era regulations that could be targeted by GOP lawmakers.



IRS digital asset broker tax reporting rule

CFPB “larger participants” in payments apps rule

CFPB overdraft fees rule

CFPB medical debt rule

Budget Reconciliation

How the process has played out so far.

SENATE

- Senate Republicans took the first step on their two-bill approach (“Plan B”), by passing a reconciliation bill focused on energy, immigration, and border security, before turning to a second tax reform bill.
- Authorizes roughly \$84.5 billion in spending per year from FY 2025-2034, and will be offset by corresponding spending cuts.
- Appears to derive substantial savings from Medicare, Medicaid, and certain ACA provisions by assigning instructions to the Senate Finance Committee.



HOUSE

- Meanwhile, House Republicans under Speaker Johnson, with the blessing of President Trump, are pursuing a single bill that would wrap up tax reform with energy, immigration, and border security.
- Directs the Energy and Commerce Committee to reduce spending by at least \$880 billion.
- Provides the Ways and Means Committee with authority to increase the federal debt limit by \$4 trillion.

Budget Reconciliation

CFPB reform on the table.

BACKGROUND

- The CFPB draws funding from the Federal Reserve, and critics of the agency have argued that this means the agency lacks accountability and oversight.
- There have been concerted efforts from lawmakers to bring the CFPB into the congressional appropriations process.

STATE OF PLAY

- The House Reconciliation bill includes instructions to the Financial Services Committee to come up with \$1 billion dollars in savings, which could include eliminating the CFPB's ability to draw funds from the Federal Reserve.
- Unclear whether this would survive the "Bryd Bath."



Trump Tax Reform

On the campaign trail, Trump proposed numerous tax policies.



Further drive down/maintain 21% corporate tax rate



Make estate tax cuts permanent & No Taxes on Tips



Tax large, private university endowments



Make permanent the expiring individual income tax cuts from TCJA



Impose a baseline tariff on all imports and a 60% tariff on all imports from China



Eliminate the federal individual income tax and replace it with tariffs

APPROPRIATIONS & DEBT CEILING

Funding for FY 2025 has not been finalized.

- The deadline to avert a government shutdown is March 14.
- The topline figures remain a key sticking point in negotiations.
- There is chatter about a possible CR to keep the government funded.

FY 2026 bills are next.

- The House and Senate Appropriations Committees and Subcommittees have not yet released member guidance or subcommittee deadlines for FY 2026.
- House Appropriations Chair Tom Cole has stated his intent to mark up FY 2026 bills in late April.

The debt ceiling has been hit.

- The “X-Date” is unknown, but some estimates place it somewhere in the spring or summer.
- House GOP leadership is eyeing three weeks of the June session for possible consideration of debt ceiling legislation.
- Debt ceiling legislation could also be wrapped up in a reconciliation package.

TRUMP ADMINISTRATION ACTIONS

CFPB

- Russell Vought, the new acting head of the CFPB, has directed the agency to stop nearly all its work, including proposed rules, investigations, and supervision activities.
- The CFPB will not withdraw its next round of funding from the Federal Reserve, with Vought deeming current reserves "excessive."
- DOGE leader Elon Musk has expressed a desire to "delete" the CFPB.
- Mark Calabria has been detailed from OMB to oversee rulemaking.

Other Administration Efforts

- Streamlining prudential regulators
- Easing mergers and acquisitions
- Potentially Privatization of Fannie Mae and Freddie Mac
- Pumping the brakes on Basel and new capital requirements

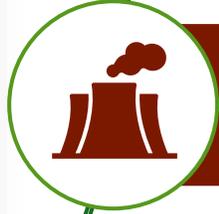




Regulatory clarity for crypto



Pausing certain crypto enforcement actions



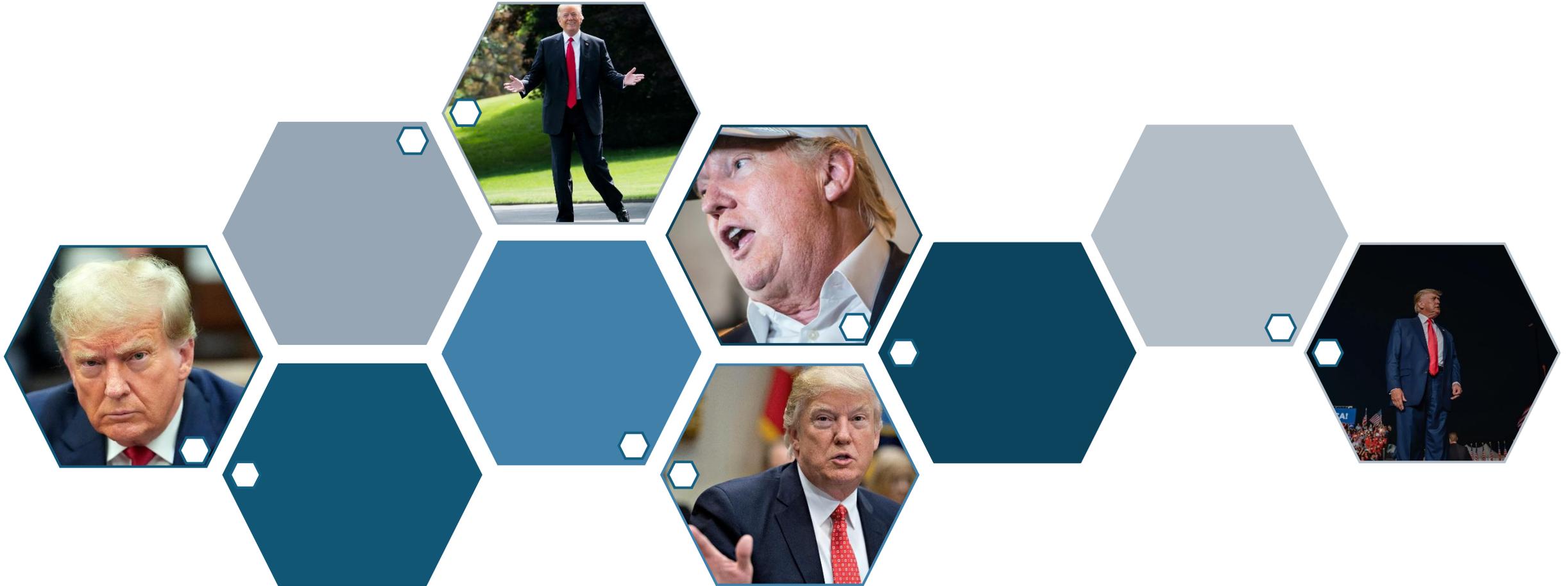
Abandoning legal defense of climate disclosures rule



Rollback ESG materiality

THE TRUMP FACTOR

Shifts and changes are always possible during a Trump administration





THANK YOU

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