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Crypto Policy Tracker

Court Blocks CFPB ‘Open Banking’ Rule and House Considers Capital Formation Bills

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A federal court held that the CFPB is blocked from enforcing the “open banking” rule, requiring banks share their customers’ financial data with authorized third parties, which could include fintechs and digital asset entities. In Congress, the Senate Banking Committee held a hearing regarding Travis Hill’s nomination to lead the FDIC, and House Financial Services Committee Chair French Hill (R-AR) previewed a potential floor package of capital formation bills. States asserted their authority as 21 attorneys general urged the SEC to avoid preempting state crypto regimes.

Congressional Updates

Senate Banking Committee Holds Hill Nomination Hearing

- On Oct. 30, the Senate Banking Committee held a [nomination hearing](#) for [Travis Hill](#) to chair the FDIC. Hill was [initially nominated](#) by the President on Sept. 30 but has been serving as Acting Chair since Jan. 20. Hill stated in his testimony that the FDIC’s ongoing work includes, among other items, reforming supervision to focus more on material financial risks and less on process. Senators asked about Hill’s commitment to addressing concerns about workplace culture and regulatory issues including deposit insurance reform proposals that would increase coverage for non-interest-bearing accounts from \$250,000 to \$10 million.

House May Take Up Capital Formation Package When Work Resumes

- At the annual meeting of the Securities Industry and Financial Markets Association (SIFMA) on Oct. 21, [House Financial Services Committee Chairman French Hill \(R-AR\)](#) said the House may bring a capital formation agenda to the floor once the government shutdown ends, noting the specific vehicle and voting procedure are yet to be determined. The panel has approved about 20 capital formation bills that are awaiting floor vote, which consider accredited investor credentials, emerging growth company factors and fund exemptions.

Regulatory Agency Updates

Court Blocks CFPB 'Open Banking' Rule

- On Oct. 29, a [federal district court in Kentucky held](#) that the CFPB is temporarily blocked from enforcing the Personal Financial Data Rights Rule, also known as the “open banking” rule, which the CFPB adopted under the prior presidential administration, while the Bureau completes its reconsideration of the rule. The rule requires banks share their customers’ financial data with authorized third parties, which could include fintechs, digital asset entities and others. Banks must create a developer interface for transmitting data to these third parties. The CFPB acknowledged in the rule that banks will incur up to \$47 million annually to comply; however, the rule prohibited banks from charging third parties fees to cover their expense. The court’s ruling effectively halts implementation of the rule indefinitely, extending compliance deadlines until the Bureau completes the rulemaking process.
- Previously, on Oct. 21, Sen. Cynthia Lummis (R-WY) urged the CFPB to finalize its open banking rule in a [comment letter](#) to CFPB Acting Director Russell Vought. She wrote that open banking is critical for “integrating digital assets into our economy by promoting competition and allowing consumers to provide their data to digital asset exchanges and stablecoin issuers to facilitate faster and cheaper payments.”
- Also on Oct. 21, eight trade associations sent a [joint letter](#) to Vought regarding the agency’s reconsideration of the open banking rule. The groups expressed support for the rule, asking the CFPB to “swiftly finalize” the rule and ensure that it “facilitates fair competition ... and safeguards the future of innovation.”

State Regulatory Updates

State Attorneys General Urge the SEC Not to Preempt State Crypto Oversight

- On Oct. 20, a coalition of 21 state attorneys general sent a [comment letter](#) to SEC Commissioner Hester Peirce responding to her Feb. 21 statement, “[There Must Be Some Way Out of Here](#),” which solicited public input on crypto issues. The AGs state that “clarity is essential to prevent federal overreach that could preempt vital state authorities[.]” They caution that sweeping federal action could displace established state regimes governing money transmission, consumer protection and even criminal enforcement.

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