

ICBA News Watch this week / US Weekly Bell

Week: 28th May 2015

Economy

Fed's Fischer: Markets Should Be Ready for Raising Rates

Speaking from a conference in Israel, [Vice Chairman Stanley Fischer stated](#) that the Federal Reserve will consider global economic implications when raising interest rates. "The U.S. economy and the economies of the rest of the world have important feedback effects on each other," Fischer said. "To make coherent policy choices, we have to take these feedback effects into account."

Fischer gave no time frame for raising rates in the text of his remarks, but made it clear that higher rates are coming. "Markets should not be greatly surprised by either the timing or the pace of normalization," he said. "The actual raising of policy rates could trigger further bouts of volatility, but my best estimate is that the normalization of our policy should prove manageable for the emerging market economies."

In The Media

ICBA's Stance on Postal Service and Community Banking Month Ads Makes News

Executive Vice President of Congressional Relations and Chief Economist Paul Merski told [Morning Consult](#) that the United States Postal Service should focus itself on getting in the black by right-sizing itself instead of attempting to provide financial services to customers. Merski also noted that there is no roadmap for how USPS would exist within the current regulatory environment.

"There is already plenty of competition in financial services available across the country. The proposal is a failed attempt to preserve the scale of the postal service when they should be scaling down," Merski said.

ICBA's Community Banking Month ads from April also made headlines in Politico. In the [story](#), ICBA Executive Vice President/Chief Marketing Officer Chris Lorence explained that the "station domination" of Washington D.C.'s Capitol South Metro station's advertisements attracted the attention of regulators, consumers, Hill staffers and congressmen. The article highlights recent ICBA-supported advocacy efforts and credited the advertising during Community Banking Month with quadrupling website traffic to ICBA.org.

Security

Target-MasterCard Settlement Rejected by Issuers

The settlement agreement between Target and MasterCard will not become effective because of insufficient support among card issuers. As of Wednesday's deadline, not enough MasterCard issuers had agreed to the settlement's terms, sending the two companies back to the negotiating table.

Under the settlement, Target would have reimbursed affected MasterCard issuing banks up to \$19 million following the retailer's massive 2013 data breach, with reimbursement amounts varying for each issuer. The agreement had to be accepted by issuers responsible for 90 percent of the MasterCard card volume affected by the breach, which did not happen by the deadline.

In an [American Banker op-ed](#) that ran Wednesday, ICBA President and CEO Cam Fine wrote that the settlement pointed to the need for Congress to modernize U.S. data-security laws. 

Associations

ABA Selects Seasoned Wall Street Advocate for Top Leadership Position

The American Bankers Association announced Wednesday the selection of Rob Nichols to serve as the association's new president and CEO. Nichols will replace Gov. Frank Keating later this summer. Nichols is currently president and CEO of the Financial Services Forum, a financial and economic policy organization comprising the CEOs of 18 of the largest and most diversified financial services institutions doing business in the United States.

Housing

FHFA Seeks Input on Setting Conforming Loan Limits

The [Federal Housing Finance Agency](#) is seeking input on how to assess the national average single-family house price for setting Fannie Mae and Freddie Mac conforming loan limits. The FHFA publishes a quarterly House Price Index that incorporates sales price information from Fannie, Freddie and the FHA. The agency is seeking input on whether to use this index as the basis for adjusting the government-sponsored enterprises' conforming loan limits.