

# What to look for in finance in Trump's first 100 days

## Seven potential finance changes that could happen in Trump's first 100 days



### Dodd-Frank

Under the Trump administration, Dodd-Frank is likely to be severely weakened but not repealed. One source of conflict on the repeal will be between House Financial Services Chairman Jeb Hensarling (R-TX) and Senate Banking Committee Chair Mike Crapo (R-ID). Hensarling will most likely release a CHOICE act 2.0 in February



### Housing and GSE reform

Many policy analysts believe that despite Mnuchin's comments about full privatization of Fannie Mae and Freddie Mac, not much will change for housing policy, due to disagreements between Mnuchin and OMB Director designate Mick Mulvaney (R-SC). However, because of anger over the recent mortgage insurance premium cuts, Republicans could pass a small bill that helps mortgage insurers



### State cases

Motivated by full Republican control of the government, states will fight the federal government over several aspects of financial regulation. Though they will not win all of the battles, they will win some

### CFPB and FSOC declawed

Republicans will likely pass a finance regulation law that places the CFPB subject to congressional appropriations. As head of the FSOC, Mnuchin sets the tone for the financial body and would likely promote a "deregulatory" era



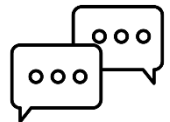
### Easing of bank and insurance regulations

While the Fed is writing two sets of rules for insurers, the new Republican led FSOC would have little incentive to implement the Fed's policies. Many also expect that the Fed's stress test will be less rigorous



### Fiduciary rule

The Trump administration will likely scrap several parts of the fiduciary rule, like Obama did in 2009 when he took over from the Bush administration. While many expect the "best interest" component to stay, the private right to legal action and BIC exemption will likely go



### Banking ratios

While Trump's new Fed supervision chief will be highly influential in changing capital rules, only Congress can finalize the rules. Some Republicans support raising capital standards, but not enough of them to drastically raise rates

