



Financial Services

What’s ahead for Financial Services: Key Policy Issues

After the Biden-Harris administration’s prominent focus on consumer and investor protection through aggressive regulation and enforcement, a second Trump administration is set to revert to a more streamlined approach to financial services regulation. Tax reform – especially preserving lower corporate tax rates, as in Trump’s 2017 Tax Cuts and Jobs Act – remains a top priority impacting the financial services sector.

Key Leadership in Congress and Trump Administration

119th Congress

With the Senate flipping to Republican control, Sen. Tim Scott (R-SC) will take the chair’s gavel in the Senate Banking Committee. Sen. Elizabeth Warren (D-MA), a longtime bank antagonist and “mother” of the Consumer Financial Protection Bureau (CFPB), is poised to become ranking member. In the House Financial Services Committee, Reps. French Hill (R-AR) and Andy Barr (R-KY) are leading contenders for the gavel, while Rep. Maxine Waters (D-CA) will return as ranking member.

Trump Administration

President-elect Donald Trump has nominated billionaire hedge fund executive Scott Bessent as Secretary of Treasury. Securities Exchange Commission (SEC) Chair Gary Gensler announced he would resign, effective on Inauguration Day; other regulators such as CFPB Director Rohit Chopra are widely expected to do the same or be replaced once Trump resumes office. One official intent he is not going anywhere: Federal Reserve Chair Jerome Powell, whose term runs until May 2026.

The Trump Administration’s Priorities

The Trump administration will reconsider, reverse or halt Biden-era regulators’ efforts in the name of encouraging economic growth and fostering the development of innovative financial products and services. Rulemaking around the Basel III Endgame bank capital requirements is widely expected to end, alongside restrictive regulation around climate risk disclosures, private funds, digital assets, fintechs and Banking as a Service (BaaS). Trump advocated populist financial services policies such as temporarily capping interest rates on credit cards; some CFPB and Federal Trade Commission (FTC) efforts regarding so-called “junk fees” could continue in some form, along with the CFPB’s open banking rule, which has generated bipartisan support.

Spotlight: The Rise of Cryptocurrency

Cryptocurrency emerges from the 2024 elections as a big winner. After years of skepticism, Trump has vowed to make the U.S. the “crypto capital of the planet.” Crypto proponents like Elon Musk have proved to be influential voices, and some are likely to receive key appointments within regulatory agencies such as the SEC. Bipartisan proponents exist in Congress as well. Early actions could include clarifying federal regulators’ authority over the industry, studies on how the government could spur continued crypto growth, and the creation of a national cryptocurrency reserve.

