

RFA Outlook: July 2025

Overview

With the House out following passage of the “One Big Beautiful Bill,” focus is shifting to reconciliation, appropriations, digital assets, and sanctions. GOP leaders are floating a second reconciliation package to revive provisions excluded by the Parliamentarian, though timing remains uncertain with FY26 funding and NDAA work on deck. The House has advanced several FY26 bills, while the Senate will begin markups this week. Action on the administration’s \$9 billion rescissions package faces a July 18 deadline but lacks a clear path in the Senate. On digital assets, Senate Banking and Agriculture Committees are holding hearings on market structure, with a discussion draft expected soon. The House will vote next week on the GENIUS Act, CLARITY Act, and Anti-CBDC bill, with crypto tax policy also gaining attention.

Sanctions policy is also in focus. The Senate’s Russia sanctions bill now has 85 cosponsors and is gaining traction amid stalled talks with Moscow. President Trump is pushing for coordinated action, and Speaker Johnson has voiced support. Meanwhile, the Trump Administration is preparing AI-focused executive actions and a broader AI strategy by July 23. Trump also signed an order eliminating green energy subsidies and redirecting support to traditional energy sources to meet AI-related power demand.

On the regulatory front, the CFPB is pushing for Chapter 7 conversion in the Synapse bankruptcy, the SEC is advancing crypto-related guidance, and the FDIC and FHFA are taking up key rulemakings. HUD is seeking input on the impact of BNPL products on housing affordability. Nominations for key financial posts remain in motion, with Jonathan Gould expected to advance in the Senate and Travis Hill likely to be formally nominated at the FDIC.

Below, we provide our analysis of key legislative, regulatory, and administrative updates for the upcoming work period.

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Big Picture Items

Reconciliation

Republican leadership is beginning to float the idea of a second reconciliation package this fall, as lawmakers look for a path to revive policy provisions that were stripped from the One Big Beautiful Bill during the Senate Parliamentarian’s review. On a press call this week, House Budget Committee Chair Jodey Arrington (R-TX) said Republicans should consider reworking items that were ruled out under Byrd Rule constraints. While Chairman Arrington didn’t name specifics, one likely candidate is the proposed moratorium on state regulation of artificial intelligence, which was previously excluded. Meanwhile, Senate Finance Committee Chair Mike Crapo (R-ID) signaled openness to another reconciliation effort, telling reporters he’s “always been in favor of a three-bill strategy” and that “there’s a ton of things that we need to do.” Still, with FY26 government funding and the NDAA both headed for floor time this fall, it’s unclear whether leadership will have the political space, or procedural runway, for another round.

FY26 Funding

Throughout June, the House Committee on Appropriations has been consistently progressing FY26 appropriations bills through both subcommittee and full committee markups. Earlier this month, four of the appropriations bills—Agriculture, Defense, Homeland Security, and the Legislative Branch—were successfully reported out of committee. Just last week, the Military Construction-Veterans Affairs bill became the first FY26 appropriations measure to pass the full House. With the September 30th deadline to fund the government for FY26, the Senate will start its appropriations markups this week as the full Appropriations Committee will consider Commerce, Justice, Science; Agriculture, Rural Development, FDA; and the Legislative Branch bills on Thursday.

Recessions Package

Lawmakers have until July 18th to pass the White House’s \$9 billion recessions package or the Administration will be statutorily required to spend the funds as appropriated by Congress. Senate appropriators are expected to attempt to force a vote on a revised package by early next week, but it remains unclear whether the Senate can whip the 50 votes, particularly given the prominent Senate Republicans’ criticism of the proposed cuts.

NDAA

We expect a return to regular order in the Senate on NDAA rather than the process of the last several years. The Senate may try to move before the August recess with a possibility of turning to it in early September. Look for initial product to adhere closely to defense/national security issues, with final action (either an informally conferenced bill or formal conference report) later in the year closer to Veterans’ Day.

Trade & Tariffs

Over the past week, President Trump significantly ramped up his trade and tariff agenda. He announced that the United States would impose new tariffs ranging from 25% to 40% on imports from 14 countries, including major trading partners such as Japan, South Korea, Malaysia, Kazakhstan, and Tunisia. These duties are set to take effect on August 1st unless new trade concessions are reached. Specifically, Japan and South Korea will face 25% tariffs, while Myanmar and Laos will be subject to 40% tariffs. Other countries, including Thailand, Cambodia, Bangladesh, and Serbia, are targeted with tariffs between 32% and 36%. President Trump also sent formal tariff notification letters to the leaders of these countries, warning that retaliatory measures would trigger

even steeper tariffs. He further threatened that any nation aligning with the policies of the BRICS bloc would face an additional 10% tariff on their exports to the United States. While the initial deadline for these tariffs was July 9th, President Trump announced an extension of the tariff freeze to August 1st, providing more time for negotiations and potential trade deals. So far, new trade agreements have only been reached with the United Kingdom and Vietnam, with Vietnam agreeing to a 20% tariff on its exports to the U.S., down from the previously threatened 46%. Negotiations are ongoing with the European Union and India, with the EU seeking to avoid a 50% tariff on certain exports.

Sanctions Update and Look Ahead

Over the past week, U.S.-Russia negotiations have stalled with little progress toward resolving the Ukraine conflict. The U.S. has expressed frustration with Russia's demands and lack of new proposals, warning that continued deadlock could lead to tougher sanctions or a U.S. withdrawal from mediation. Russia's position remains unchanged, but both sides have indicated a willingness to keep diplomatic channels open, with talk of possible future meetings.

While negotiations have stalled between the U.S. and Russia, Senate Majority Leader Thune (R-SD) and Speaker Johnson (R-LA) have expressed interest in moving Senator Graham's Russia sanctions legislation, potentially before the August recess. Our understanding is the [bill](#) has changed significantly from its original form, granting the Treasury Department additional flexibility.

Policy Updates

Digital Assets

With the House out this week following passage of the "One Big Beautiful" reconciliation bill, the Senate is shifting focus back to digital assets. On Wednesday, the Senate Banking Committee held its first hearing on establishing a regulatory framework for digital assets and is expected to release a discussion draft outlining its market structure approach next week. The Senate Committee on Agriculture will hold its hearing on market structure on Tuesday. Both the hearings and the draft release are part of the Committee's broader effort to advance market structure legislation by September 30th. Next week, crypto policy will take over the House floor, with Leadership planning votes on the Senate's stablecoin bill, the GENIUS Act, which is expected to pass and be sent to President Trump's desk, as well as the House's market structure bill, the CLARITY Act, and the CBDC Anti-Surveillance State Act, which will move to the Senate if passed.

Digital asset tax policy may also come into focus in the coming weeks, with the House Ways & Means Oversight Subcommittee looking to reschedule its postponed hearing on establishing a tax policy framework on digital assets. Further, Sen. Cynthia Lummis (R-WY) has introduced a legislative package to modernize how digital assets are treated under U.S. tax law, following her earlier failed attempt to include it in the recently passed One Big Beautiful Bill Act. Sen. Lummis' digital asset tax bill would establish a \$300 de minimis exemption for small personal-use crypto transactions, expand securities lending rules to cover digital assets, and apply wash sale rules to digital assets to align treatment with traditional securities. The bill also defers tax recognition on mining and staking rewards until disposition, allows mark-to-market elections for digital asset dealers and traders, and exempts actively traded digital assets from appraisal requirements for charitable donations.

Over in the Administration

Trump Signs Order to End Green Energy Subsidies and Boost U.S. Energy Production

President Trump signed an [Executive Order](#) directing federal agencies to eliminate specific subsidies and policy preferences for wind and solar energy. The EO implements provisions of the One Big Beautiful Bill Act and aims to shift federal support toward dispatchable energy sources such as fossil fuels and nuclear. The Order instructs the Treasury Department to terminate clean electricity production and investment tax credits for wind and solar projects and enforce new restrictions related to foreign entities of concern. It also directs the Interior Department to revise policies that currently provide favorable treatment for renewable energy on public lands. According to the administration, the changes are designed to promote energy reliability, reduce dependence on foreign-controlled supply chains, and encourage domestic energy production.

Trump Administration Work Group on Digital Asset Markets Policy Report

The Trump Administration's Working Group on Digital Asset Markets could release its first major crypto policy report by July 22nd per its target date of six months but could fall to a later date. The report follows months of interagency coordination led by David Sacks and Bo Hines, in collaboration with senior officials from Treasury, Commerce, the SEC, CFTC, and other agencies. The report is expected to outline both regulatory and legislative recommendations, though details remain limited. The Working Group was originally tasked with developing a federal framework for digital assets, including stablecoins, and evaluating the feasibility of a national digital asset stockpile, which President Trump formally established in March. While the substance of the recommendations remains unclear, there is speculation the report may include proposals for funding a strategic Bitcoin reserve without relying on taxpayer dollars, as well as measure to ensure fair banking access to cryptocurrency firms, particularly with respect to Federal Reserve services, where access has historically been limited.

Trump Administration Preparing AI Executive Actions

The Trump Administration is reportedly preparing a set of executive actions aimed at expanding energy supply to meet the growing demands of artificial intelligence infrastructure. As rising computing needs strain power grids across the country, the administration is moving to prioritize energy development as part of its broader strategy to maintain an edge over China in both economic and national security domains. A comprehensive AI action plan is expected later this month, with input from the National Security Council due by July 23rd. The White House is weighing a formal "AI Action Day" on the 23rd to highlight the rollout and underscore its commitment to accelerating AI development.

Congressional Activity

Nominations

The White House is anticipated to nominate Acting FDIC Chairman Travis Hill to lead the agency permanently, which would fill a key role for the Trump Administration's bank regulatory reform team. In addition to Hill's expected nomination, Senate Majority Leader Thune filed cloture on Jonathan Gould to be Comptroller of the Currency on July 8th, paving the way for a confirmation vote in the near future. As for the pending Treasury nominations, it remains unclear when the Senate will look to advance Luke Pettit and the others.

House Financial Services Committee & Senate Banking Committee

The House Financial Services Committee is preparing to revisit the Dodd-Frank Act, with another round of oversight focused on the post-crisis regulatory framework. While this week's subcommittee hearings have been canceled, the Full Committee is scheduled to reconvene the week of July 15th to begin its review, with a hearing entitled "Dodd-Frank Turns 15: Lessons Learned and the Road Ahead." On July 16th, the Subcommittee on National Security, Illicit Finance, and International Financial Institutions will hold a hearing entitled, "U.S. Policy on Investment Security." To close out the month, the Full Committee will hold a two-day markup of various measures (July 22nd and July 23rd).

We are cautiously optimistic that the Senate Banking Committee is getting closer on scheduling a markup of housing legislation, with possible action coming before the August recess or in the first weeks of September.

Upcoming Hearings

House of Representatives

House Financial Services Committee

- **Tuesday, July 15:** House Financial Services Committee holds a hearing entitled, "Dodd-Frank Turns 15: Lessons Learned and the Road Ahead."
- **Wednesday, July 16:** House Financial Services, National Security, Illicit Finance, and International Financial Institutions Subcommittee holds a hearing entitled, "U.S. Policy on Investment Security."
- **Tuesday, July 22:** House Financial Services holds a Markup on Various Measures
- **Wednesday, July 23:** House Financial Services holds a Markup on Various Measures

House Ways and Means Committee

- **Wednesday, July 16:** House Ways and Means, Oversight Subcommittee holds a hearing on, "Making America the Crypto Capital of the World: Ensuring Digital Asset Policy Built for the 21st Century."

House Small Business Committee

- **Wednesday, July 23:** House Small Business, Oversight, Investigations and Regulations Subcommittee holds a hearing entitled, "American Resilience: Examining SBA Disaster Assistance Programs."

Regulatory Activity

CFPB

The One Big Beautiful Bill Act made a significant change to the Consumer Financial Protection Bureau's (CFPB) funding structure by cutting its budget cap nearly in half. Previously, the CFPB could request up to 12% of the Federal Reserve's 2009 operating expenses (adjusted for inflation), but the new law reduces that cap to 6.5%, representing a 46% decrease. Earlier proposals from Senate Republicans sought to eliminate CFPB funding entirely by reducing the cap to zero, but that provision was blocked by the Senate Parliamentarian. The final compromise set the cap at 6.5%. While the CFPB can still request additional funds from Congress, the reduction in its automatic funding from the Federal Reserve restricts its independent operating capacity.

The CFPB is actively involved in the bankruptcy proceedings of Synapse Financial Technologies and is pushing to convert the case from Chapter 11 to Chapter 7. In a June filing, the Bureau argued that Synapse's failure to properly track and reconcile consumer funds across its partner institutions resulted in a shortfall of up to \$95 million, harming consumers and violating provisions of the Consumer Financial Protection Act. The CFPB believes a Chapter 7 liquidation would allow for a more efficient resolution, enable enforcement actions against the estate, and open the door to consumer relief through its Civil Penalty Fund. The agency hopes to negotiate a consent order with the Chapter 7 trustee that includes a nominal penalty, which would allow the Bureau to use the fund to compensate affected consumers. If the court dismisses the case instead, the CFPB would need to pursue claims in federal district court, delaying relief and complicating victim identification. The move aligns with the Bureau's 2025 enforcement priorities, focusing on cases involving actual fraud and direct consumer harm while leveraging existing tools to provide restitution.

SEC

The SEC continues to prioritize the work of the Crypto Task Force, which is working to provide clarity and certainty to the crypto industry on how the securities laws apply to crypto assets. This has primarily taken the form of staff statements that provide the staff's views on the types of crypto assets that are not considered securities. We expect the Task Force's work to eventually culminate in a proposed rule that codifies many of the staff statements and clarifies when section 5 of the Securities Act applies to crypto assets, although we don't expect a formal proposed rulemaking this summer. The SEC is also working to revise its executive compensation rules in order to reduce the amount and complexity of executive compensation disclosures in public companies' 10-Ks and proxy statements.

FDIC

The FDIC Board of Directors will meet on July 15th to consider a range of regulatory items. The discussion agenda includes a proposed update to the FDIC's appeals process for material supervisory determinations, a rulemaking to adjust and index Part 363 thresholds and other FDIC regulatory limits, and a request for information on industrial banks and their parent companies. The Board will also vote on several items listed under the summary agenda, including proposals related to the Community Reinvestment Act, branch establishment rules, and a withdrawal of a prior rule on industrial bank parent companies, without discussion unless a Board member requests otherwise.

FHFA

On June 25th, the Federal Housing Finance Agency (FHFA) issued an order directing Fannie Mae and Freddie Mac to evaluate the treatment of cryptocurrency as a reserve asset in single-family mortgage risk assessments. The order instructs both enterprises to prepare proposals considering crypto held on U.S.-regulated centralized exchanges, while also assessing associated risks “as soon as reasonably practical.”

HUD

The Department of Housing and Urban Development (HUD) is requesting public input on how the growing use of Buy Now, Pay Later (BNPL) products may affect borrowers’ ability to manage housing-related expenses, including rent and mortgage payments. In its Request for Information, HUD raised concerns that as consumers take on short-term debt through BNPL services, their ability to maintain housing affordability and stability could be impacted. The agency noted the rapid rise of BNPL use and its influence on how individuals handle day-to-day financial obligations. Comments are due by August 25th.

Upcoming Meetings and Events

SEC

- **Tuesday, July 22 at 10 AM ET - SEC Small Business Capital Formation Advisory Committee**