

RFA Outlook: March 2026

Overview

Coming off the heels of President Trump's State of the Union address, Congress is in the middle of a busy work period with the Department of Homeland Security (DHS) funding impasse still unresolved. The partial shutdown is now in its third week, and while the House Rules Committee is scheduled to take up the DHS Appropriations Act tonight, Senate cloture remains blocked over ICE warrant requirements and sensitive location protections. Republicans are pointing to ongoing military operations against Iran as added justification for restoring full DHS funding. With TSA agents and Coast Guard personnel missing paychecks, we will be watching whether tonight's Rules Committee effort leads to any action in resolving this shutdown.

Legislatively, housing is the most immediate focus. The Senate is taking up Senate Banking Chairman Scott's (R-SC) ROAD to Housing Act this week. The Manager's Amendment includes a negotiated institutional investor ban alongside other supply and affordability provisions. The White House and Senate Banking Ranking Member Warren (D-MA) have been closely involved in shaping that package, and we expect the floor process to roll out smoothly. The package also includes several provisions from Chairman Hill's Housing for the 21st Century Act, and we expect House passage relatively quickly after the Senate completes its work.

Committee agendas remain crowded in both chambers. In the House, the Financial Services Committee (HFSC) kicks off the month with a markup tomorrow centered on the Main Street Capital Access Act, its flagship community banking package, before turning to a dense hearing schedule spanning fraud, SRO oversight, tokenization, and financial privacy. In the Senate, the Banking Committee is balancing the ROAD to Housing Act floor process, ongoing digital asset market structure negotiations, and early preparations for Kevin Warsh's prospective confirmation hearing to succeed Chair Powell, with Sen. Tillis's (R-NC) objection over the Department of Justice (DOJ) investigation into Chair Powell continuing to complicate the timeline.

The State of the Union highlighted President Trump's focus on affordability and market access, including the proposed institutional investor housing purchase ban and a new retirement savings initiative modeled on the Thrift Savings Plan. On the trade front, IEEPA tariff litigation is moving into a remedies phase, with the DOJ required to file a response at the Federal Circuit by March 17 addressing refunds and other relief for affected importers. Financial regulators are pressing ahead in parallel, with the SEC advancing its Project Crypto innovation exemption and hosting a March 4 roundtable on private market valuations and the CFTC continuing to focus on prediction markets as well as token taxonomy. Additionally, the CFPB continues to navigate high-stakes litigation while pushing forward on Sections 1033, 1071, and Regulation B; the OCC and FDIC are developing federal frameworks for payment stablecoin issuers under the GENIUS Act, the three banking regulators are nearing a re-proposal of the Basel III endgame rules, and the Department of Labor is awaiting OIRA clearance on its proposal to broaden 401(k) access to alternative assets.

Below, RFA provides our take on notable legislative, regulatory, and administrative activity for the current work period.

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Big Picture Items

FY2026 Appropriations Outlook

DHS remains the sole unresolved fiscal year (FY) 2026 appropriations bill, with the partial shutdown now entering its third week. The impasse continues to center on Senate Democrats' demands for ICE warrant requirements and sensitive location protections, which the White House has rejected.

The path to resolution remains narrow, though the House Rules Committee is scheduled to take up the DHS Appropriations Act tonight, a notable procedural step forward. Republicans are also pointing to ongoing military operations against Iran as added justification for restoring full DHS funding, arguing the agency must be at full capacity to address potential terrorist threats. Senate cloture remains blocked, no deal has materialized, and a key variable remains whether the Office of Management and Budget (OMB) redirects reconciliation border funding to sustain DHS operations through FY2026, which would significantly reduce the administration's incentive to negotiate.

Policy Updates

Tax

Speculation that President Trump would announce additional tax cuts at the State of the Union did not materialize, with the speech focused largely on touting the accomplishments of the One Big Beautiful Bill Act (OBBBA). On Capitol Hill, we do not expect significant tax policy movement out of the Senate Finance Committee this month. The House Ways and Means Committee remains active on crypto tax legislation and is scheduled to hold a hearing with Social Security Administration Commissioner and Internal Revenue Service (IRS) Chief Executive Officer Frank Bisignano tomorrow. Meanwhile, Treasury will continue implementing the OBBBA, with guidance expected in the coming weeks on Trump Accounts and other outstanding provisions.

Nominations

The Federal Reserve chairmanship remains the most closely watched nomination this month. Kevin Warsh, President Trump's pick to succeed Chair Powell ahead of his May 15 term expiration, is expected to receive a confirmation hearing before the Senate Banking Committee. Sen. Tillis (R-NC) has voiced opposition to filling the position before the DOJ investigation into Chair Powell is resolved, though his objection is to the timing of the succession rather than Warsh personally. The Committee is likely to proceed with the nomination hearing regardless.

Artificial Intelligence

On February 17, the Department of the Treasury announced the conclusion of a public-private initiative to strengthen cybersecurity and risk management for artificial intelligence (AI) in the financial sector, with six implementation-focused resources to be released over the course of the month. The following day, Treasury followed with an AI Lexicon and a Financial Services AI Risk Management Framework tailored to the financial sector, adapting NIST's AI Risk Management Framework to sector-specific governance, data, and consumer protection considerations. Taken together, these resources start to set a common baseline for how firms and

regulators approach AI-related risks and data and will likely inform supervisory guidance and examination work later this year.

In February, the National Institute of Standards and Technology's (NIST) Center for AI Standards and Innovation launched an AI Agent Standards Initiative to develop interoperable, secure standards for autonomous AI agents across sectors, with an emphasis on industry-led standards, open protocols, and research on security and identity. NIST is planning multiple requests for information (RFIs) and listening sessions this spring to inform concrete guidance on priority use cases, positioning the initiative to shape how agencies and firms approach more autonomous AI systems over the next several quarters.

President Trump's State of the Union address previewed a "ratepayer protection pledge" under which major technology firms would commit to covering the incremental electricity costs associated with new AI-driven data centers rather than passing them through to households. The White House is expected to convene company leaders in early March to formalize the pledges and outline next steps, including how on-site generation and long-term power arrangements factor into future data-center expansion plans.

Privacy

The House Energy and Commerce Committee will hold a full committee markup this week that will put children's online safety back in focus. The package is expected to include the Kids Online Safety Act (KOSA), an update to the Children's Online Privacy Protection Act (COPPA 2.0), and several other measures that cleared the subcommittee in December, with an emphasis on platform design, data collection, and targeted advertising involving minors. In addition, HFSC has begun to shift their attention to privacy. They hosted an industry roundtable last week on Gramm-Leach-Bliley Act (GLBA) reforms and are planning a hearing later in the month where they will likely release a legislative draft.

Trade

On February 20, 2026, the Supreme Court of the United States (SCOTUS) ruled in *Learning Resources v. Trump* that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose tariffs. The President has asserted that he has additional tariffs authorities that he will rely upon going forward to fill the void of the vacated IEEPA tariffs.

The Administration telegraphed that it planned to pivot to Section 122 tariffs under Trade Act of 1974 as an immediate fallback if IEEPA authorities were struck down. President Trump implemented 122 tariffs on February 20 and increased them to the maximum 15 percent on February 21. Section 122 does not require a quasi-judicial investigation that other tariffs authorities require, which is why they could be implemented quickly. Under 122 authorities, the President can impose temporary tariffs (up to 15 percent) to address large and serious U.S. balance of payments deficits or related economic issues. This authority is time limited: measures can run for up to 150 days without further action, and any extension beyond that requires new legislation from Congress.

In our view, the Congress will not extend Trump's 122 actions beyond the 150-day limitation. The Administration may look to other tariff authorities during this 150-day period, including tariffs under Section 201 (imports that threaten domestic industries), Section 232 (national security), Section 301 (unfair trade practices), Section 338 (response to foreign discrimination) or Section 891 (retaliatory taxation). All of this will remain fluid as we expect litigation on any levies that President Trump implements. Moreover, we expect the Administration to continue to pursue negotiated trade deals with foreign countries. Administration officials have publicly stated the goal of tariffs are leverage in trade negotiations and that so long as countries do not "renege

on their deals” implementation of additional tariffs may be unnecessary.

The process for refunds in the aftermath of *Learning Resources* is unclear. The SCOTUS decision invalidated the IEEPA tariffs but did not prescribe a refund mechanism, so repayment does not occur automatically through Customs and Border Protection (CBP) or Treasury. Unlawful IEEPA collections are roughly \$130 to \$175 billion, from about 34 million entries by over 300,000 importers. Nearly 2,000 lawsuits have been filed in the Court of International Trade (CIT). There is some speculation that the Administration will try to delay refunding tariff monies to companies and that the Administration may try to persuade companies not to file claims or to allow expedited refunds for companies that forego some of the money.

Under the tariff process, tariffs are first provisionally assessed when goods enter the United States and then are liquidated (finalized) by CBP, usually within a year after provisional assessment. About half of the approximately 34 million IEEPA-tariff entries liquidated as of December 10, 2025.

For liquidated entries, the importer of record has 180 days to file a protest with CBP to seek a refund; after liquidation plus a 90-day reliquidation window, CBP lacks discretionary authority to simply cut refund checks. For unliquidated entries, CBP could choose to liquidate them at lower, lawful rates and thereby effectively refund the IEEPA component, but there is no sign it plans to do so aggressively. Only the importer of record (not downstream retailers or consumers) has standing to seek refund of duties from the U.S. government.

Further, importers are asking the Federal Circuit to reopen the *Learning Resources v. Trump* case so CIT can move quickly to set up refunds, pointing to earlier government statements that it would pay back the tariffs with interest if they were ruled illegal. On March 2, 2026, the Federal Circuit issued an order returning the *Learning Resources* cases to CIT to create a refund process.

The likely path from here is that the Federal Circuit will let the CIT move ahead on designing the refund and remedy process, while CBP keeps the current stop on collecting IEEPA tariffs in place. The main legal fight will be over how refunds are delivered—whether there will be a broad, largely automatic or administrative refund process, or whether meaningful relief will only be available to parties that actively litigate in the CIT. Importers are positing that CIT should copy the Claims Resolution Procedure established by CIT in 1998 to refund payments made by exporters when the Supreme Court struck down the Harbor Maintenance Fee.

Congressional Activity

House Financial Services Committee

The House Financial Services Committee has a busy slate of hearings this month, kicking things off with a markup tomorrow that will include the Main Street Capital Access Act, Small Entrepreneurs’ Empowerment and Development (SEED) Act of 2025, Restoring the Secondary Trading Market Act, DPA Modernization Act of 2026, and the Save Our Shrimpers Act. The Main Street Capital Access Act will serve as the centerpiece of the markup, advancing what Chairman French Hill (R-AR) has described as this year’s flagship community banking package. We don’t expect this bill to receive Floor time until late Q2.

In addition to the hearings outlined below, we expect several staff and Member level roundtables on tokenization of real-world assets in advance of the March 25 hearing on this issue.

Upcoming Hearings

- **Wednesday, March 4:** House Financial Services Committee — *Markup of Various Measures*
- **Thursday, March 5:** House Financial Services, Financial Institutions Subcommittee — *“Fighting Fraud on the Front Lines: Challenges and Opportunities for Financial Institutions”*
- **Thursday, March 5:** House Financial Services, Capital Markets Subcommittee — *“The Role of Self-Regulatory Organizations in U.S. Markets: Examining FINRA and the MSRB”*
- **Friday, March 13:** House Financial Services, Oversight and Investigations Subcommittee — *“Broken Promises: Failures of the Little Rock Housing Authority and the Impact on Residents”*
- **Tuesday, March 17:** House Financial Services Committee — *“Updating America's Financial Privacy Framework for the 21st Century”*
- **Wednesday, March 18:** House Financial Services, National Security, Illicit Finance, and International Financial Institutions Subcommittee — *“Oversight of the Export-Import Bank”*
- **Wednesday, March 18:** House Financial Services, Task Force on Monetary Policy, Treasury Market Resilience, and Economic Prosperity — *“Revisiting the Treasury-Fed Accord”*
- **Wednesday, March 25:** House Financial Services Committee — *“Tokenization and the Future of Securities: Modernizing Our Capital Markets”*
- **Thursday, March 26:** House Financial Services, Digital Assets, Financial Technology, and Artificial Intelligence Subcommittee — *“Innovation at the Speed of Markets: How Regulators Keep Pace with Technology”*
- **Thursday, March 26:** House Financial Services, Housing and Insurance Subcommittee — *“Mitigation and Multiple Loss Properties: Factors Influencing the High Cost of Flooding”*

Senate Committee on Banking

The Senate will take up the ROAD to Housing Act on the floor this week. The manager’s amendment includes a negotiated ban on institutional investors purchasing single family homes. It remains unclear how leadership will handle additional financial services amendments. However, because the Chairman and Ranking Member of the Senate Banking Committee have worked closely with the White House on the package, a streamlined floor process is anticipated. We will be monitoring if amendments come up during the floor process on the Credit Card Competition Act, interest on excess reserves, interest rate caps on credit cards, and other measures.

Outside of ROAD, Banking Committee negotiations on the digital asset market structure legislation and capital formation continue. They still would like to move forward with a market structure markup in March, but that remains in question. While most of the attention has been focused on stablecoin yield, the Committee has been focused on language related to tokenization and DeFi.

On capital formation, Chairman Scott’s team has been trying to begin negotiations with Ranking Member Warren. We expect them to pivot to the moderate Democrats on Committee if the Warren team delays talks much further.

The Banking Committee is also likely to start putting together the nomination hearing for Kevin Warsh to be the next Federal Reserve Chair, although Sen. Thom Tillis (R-NC), despite being supportive, has committed to blocking any Trump nominee to the Federal Reserve until the Department of Justice drops its investigation against Chairman Powell. Chairman Powell’s semiannual Humphrey-Hawkins testimony, which usually occurs in late February or March, also reportedly has been delayed because of the DOJ investigation.

Trump Administration

In his State of the Union address, President Trump announced a new retirement savings initiative modeled on the federal Thrift Savings Plan, promising a government match of up to \$1,000 per year for private-sector workers who don't have access to employer-sponsored retirement plans. The White House indicated the proposal can largely be implemented through existing administrative authority, with the Saver's Match provision enacted under SECURE 2.0 serving as the initial framework, though future legislation could broaden eligibility and enhance the match structure. We expect Treasury and the Department of Labor (DOL) to begin outlining implementation details in the coming weeks.

Regulatory Activity

Securities and Exchange Commission

The Securities and Exchange Commission (SEC) is preparing to roll out its innovation exemption as part of Project Crypto, which would provide time limited, conditional relief for certain digital assets and tokenized securities, while a more durable framework is developed. In his February 17 remarks, Chairman Atkins described the concept as an innovation exemption that would allow both traditional financial institutions and crypto native firms to experiment with tokenized securities on public, permissionless blockchains under tight parameters. He pointed to trading of tokenized securities through automated market makers, emphasized that investors should be free to engage with decentralized applications directly or through intermediaries that custody and trade on their behalf, and floated the idea of a safe harbor for participants facilitating such trading.

Under the approach he outlined, issuers that want to tokenize their securities could work with a transfer agent or tokenization agent to move those securities on chain so they can trade in automated market makers (AMMs) or other systems that provide decentralized liquidity. The exemption would include caps on trading volume, a whitelisting process for buyers and sellers, and targeted relief from rules that are less relevant in a tokenized environment, while remaining temporary to give the SEC time to decide what longer term rules and registration requirements are appropriate. We expect the innovation exemption to be a central focus for market participants over the next month as they evaluate potential pilot structures and compliance obligations.

Separately, the SEC will host a March 4 roundtable on private market valuations and responsible retail access to alternative assets. The discussion will focus on how managers value private equity, private credit, real estate, and other private exposures in vehicles offered to retail investors, and what disclosures, liquidity tools, and governance practices are appropriate as these products move into mutual funds, ETFs, interval funds, and other registered formats. We view this as part of the SEC's broader effort to complement DOL's forthcoming 401(k) alternative asset rule and to build a more consistent framework for retail access to private markets.

Commodity Futures Trading Commission

The Commodity Futures Trading Commission (CFTC) has also been very focused on items that fall within their innovation agenda. After filing an amicus brief in Crypto.com's prediction markets case in Nevada, Chairman Selig made clear that the Commission is working on an event contracts rule that would establish clear standards and provide certainty for market participants. We think the Commission is relatively close to releasing a

proposed rule. Chairman Selig is giving multiple high-profile speeches in the coming weeks, including at the Futures Industry Association Conference, where he could outline a more specific timeline.

Outside of prediction markets, the CFTC is working with the SEC to provide clear token taxonomy for digital assets, working to allow firms to experiment with perpetual derivatives products, and starting a rulemaking process related to leveraged crypto asset trading.

Consumer Financial Protection Bureau

Recent Guidance and Rules

On February 24, the Consumer Financial Protection Bureau (CFPB) published four routine Paperwork Reduction Act renewal notices, all with comments due March 26. The notices cover Regulation C (HMDA) data collection for mortgage loan originations and applications, which applies to covered financial institutions with assets above the \$59 million exemption threshold set earlier this year; Regulation I disclosure requirements for depository institutions lacking federal deposit insurance; Regulation G covering the registration of mortgage loan originators under the S.A.F.E. Act, which requires individual and company licensing information to be submitted to the Nationwide Mortgage Licensing System; and Regulation DD (Truth in Savings), which governs how depository institutions disclose interest rates, fees, and account terms to consumers.

Separately, a correction to the proposed Regulation B rule appeared in the Federal Register on February 25, restoring regulatory text that had been omitted from the November 2025 published version. Most notably, the corrected text adds language explicitly stating that the Equal Credit Opportunity Act (ECOA) does not provide for the effects test when determining whether there is discrimination in violation of the Act, effectively removing disparate impact as a cognizable theory under ECOA. The correction also restores revised special purpose credit program provisions, which among other things prohibit for-profit SPCPs from using race, color, national origin, or sex as eligibility criteria, and require that for-profit organizations provide individualized evidence that each program participant would not have received credit absent the program.

Funding Battle and Litigation Posture

The D.C. Circuit heard en banc oral arguments on February 24 on whether the Trump administration may proceed with plans to lay off nearly the entire CFPB workforce. Several judges pressed the administration on its position, and early signals from the bench suggest the full court is unlikely to grant the administration broad authority to effectively shut down the agency. The court acknowledged that Congress mandated the Bureau's existence, and administration counsel conceded in argument that it lacks the power to eliminate the agency outright. A decision is not expected for several months, and the existing partial stay governing both parties' conduct remains in effect in the meantime. The outcome will determine whether courts can issue forward-looking injunctions preventing the administration from further dismantling the Bureau without congressional approval and will have direct implications for the timeline and scope of the rulemaking priorities.

Looking Ahead

The Bureau's rulemaking agenda is coming into sharper focus, with senior CFPB staff identifying Section 1033, Section 1071, and Regulation B as the three top priorities. The agency expects to complete two of the three within roughly the next month, though no guidance has been provided on sequencing or which items will be released first. Section 1033 rulemaking faces the most near-term uncertainty as the rule appears delayed while stakeholders argue over the rule's central tenets, while they also work to broker a separate- but-related deal on

crypto market structure with the White House. Currently, we do not expect a proposed rule before the middle of the month.

Office of the Comptroller of the Currency

The Office of the Comptroller of the Currency (OCC) proposed a comprehensive framework to implement the GENIUS Act and oversee payment stablecoin issuers at the federal level. The proposed rule would require issuers operating under OCC authority to obtain a charter, maintain a minimum of 5 million dollars in capital, hold reserves in high quality liquid assets such as Treasuries and insured bank deposits, and maintain a separate pool of highly liquid assets as an operational backstop to cover disruptions such as cyber incidents or system outages. New issuers would be subject to an initial de novo period of roughly three years with closer supervisory monitoring and quarterly reporting on reserves, capital, and operational risk metrics.

The proposal would also implement the GENIUS Act's restrictions on yield by treating most reward or interest style programs tied to payment stablecoins as inconsistent with the statute, while leaving room for the OCC to review specific structures individually. The agency is considering publishing a list of acceptable reserve asset types to promote transparency and provide clearer guardrails for banks and nonbank issuers.

On Basel III, the OCC, Federal Deposit Insurance Corporation (FDIC), and Federal Reserve are expected to re-propose the endgame rules sometime this month after finally reaching a consensus, following the withdrawal of the original 2023 proposal. The revised approach is expected to be more calibrated to the risk profile of individual institutions and to avoid placing U.S. banks at a competitive disadvantage relative to foreign peers. We expect the agencies to move toward a formal re-proposal in the coming months, though the timeline remains subject to interagency coordination.

Federal Deposit Insurance Corporation

On capital, the FDIC is engaged in interagency work with the Federal Reserve and OCC to modernize risk-based capital requirements, including implementation of the Basel III endgame, with the agency seeking adjustments that balance driving economic growth against maintaining safety and soundness.

On digital assets, Chairman Travis Hill indicated in his testimony to the Senate Banking Committee that the agency expects to issue a proposed rule implementing the GENIUS Act's prudential requirements for stablecoin issuers in the near future, and the FDIC is also developing guidance to clarify the regulatory treatment of tokenized deposits as part of its broader effort to expand permissible bank activities in the digital asset space.

On the supervisory side, the newly established Office of Supervisory Appeals is expected to become operational in the coming months, providing an independent body for adjudicating appeals of material supervisory determinations.

Department of the Treasury and FSOC

The Financial Stability Oversight Council (FSOC) is set to open March with a focus on artificial intelligence, hosting an AI Innovation Series roundtable on "Strategy and Governance Principles" on March 4. The session is expected to bring together financial regulators and industry participants to begin developing shared principles around how firms and agencies approach AI governance, with the output likely informing how FSOC member agencies frame their own supervisory expectations around AI deployment in financial services. We also

anticipate that FSOC will hold a principals' meeting at some point during the month, where AI, financial stability risks, and the broader regulatory agenda are likely to feature prominently on the agenda.

Department of Labor

The Employee Benefits Security Administration's Notice of Proposed Rulemaking to allow alternative asset investments in 401(k) plans remains pending OIRA review. We understand that the interagency review process could conclude any day, and that DOL is prepared to move forward with the rulemaking as soon as OMB clears it. When released, the proposal is expected to significantly expand permissible retirement plan investments to include private equity, private credit, real estate, digital assets held through actively managed vehicles, commodities, and infrastructure investments, asset classes that have historically been out of reach for the more than 90 million Americans participating in defined contribution plans.

Department of Housing and Urban Development

At the Department of Housing and Urban Development (HUD), Secretary Turner has been focused on deregulation and eligibility enforcement. On February 26, Secretary Turner issued an Interim Final Rule to rescind a Biden-era requirement that public housing agencies provide 30-day written notice before initiating eviction proceedings for nonpayment of rent, framing the change as a step toward restoring local flexibility and cutting administrative costs for the more than two million households receiving HUD assistance. The agency also published a proposed rule to require proof of citizenship or eligible immigration status for every resident in HUD-funded housing, including members of mixed-status households. We expect both actions to attract continued congressional and legal scrutiny, especially as the Senate takes up the ROAD to Housing Act this week and certain members of Congress look for opportunities to put the Administration's housing and immigration priorities on the record.

Federal Housing Finance Agency

At the Federal Housing Finance Agency (FHFA), the Administration has been directing Fannie Mae and Freddie Mac to purchase roughly \$200 billion in mortgage-backed securities, an effort to inject liquidity into the mortgage market and push rates lower for prospective homebuyers. Mortgage rates have edged down somewhat since the announcement, and we will watch whether the Administration turns to additional government-sponsored enterprise (GSE) purchases as a lever if rates remain elevated heading into the spring.