



*Will the Trump Administration Disrupt the 2017 Payments  
Landscape? What Credit Unions Need to Know*

*Executive Orders Pave the Way Forward*



## Executive Orders Pave the Way Forward

The 2016 presidential campaign featured considerable debate around the degree of regulation in the US financial services system. One of the campaign's most vocal critics — particularly of the regulatory structure imposed by the Consumer Financial Protection Bureau (CFPB) in the wake of last decade's financial industry crisis — was newly elected President Donald J. Trump.

Now, with the election and inauguration behind us, we are seeing Trump's campaign promises begin moving into action.

### Trump's Seven Core Principles

However, financial reforms and associated regulations cannot be reversed or changed with the mere stroke of the pen, even by the President through Executive Orders. Such changes must be driven by Congress, which alone has the power to write new statutes and modify, repeal or replace existing laws.

Not one to sit passively by however, on February 3, 2017 President Trump issued the *Presidential Executive Order on Core Principles for Regulating the United States Financial System*.

This Executive Order, which is [available for viewing on WhiteHouse.gov](#), outlines the policy of the Trump administration regarding regulation of the US financial system.

The Order lays out seven Core Principles and directs the Secretary of the Treasury to consult with the member agencies of the Financial Stability Oversight Council to determine "the extent to which existing laws, treaties, regulations, guidance, reporting and recordkeeping requirements, and other Government policies promote the Core Principles and what actions have been taken, and are currently being taken, to promote and support the Core Principles."

A report is due within 120 days of signing, with subsequent updates thereafter (no timeframe specified).

### Keep a Close Eye on the Financial CHOICE Act

Nothing contained in the body of the Executive Order recommended specific prescriptive actions to be taken to reform our financial system. Rather, the Order formally set into motion the administration's approach to financial services regulation and symbolically sets the table for further debate by the industry and Congress.

One important piece of legislation to continue tracking is the Financial CHOICE Act (Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs) introduced by Rep. Jeb Hensarling (R-Texas) in June 2016.

The bill calls for numerous changes to Dodd-Frank, including — but not limited to — repeal of the Durbin Amendment, the Volker Rule and the restructuring of the CFPB leadership into a multi-member, bipartisan commission.

Given the aforementioned Executive Order, and coupled with the fact that we are now in a new session of Congress, we can expect an updated and modified version of the Financial CHOICE Act and possible other proposed legislation to be introduced in Congress during 2017.

### Rollbacks to Regulatory Burdens?

One may ask — given Republican control of both chambers of Congress and a Republican president in the White House — why we're not seeing stronger sentiment toward wholesale repeal of Dodd-Frank. The answer is that nobody wants a repeat of the financial crisis of 2008.

At the same time though, cost estimates for credit union regulatory compliance alone rose by 64 percent to approximately \$7.2 billion between 2010 and 2014. Lawmakers need to strike a better balance between managing risks to the system and easing the levels of regulatory burden and oversight currently required of the industry.

On that front alone, we expect 2017 to continue to be a very active year in the regulatory environment. Stay tuned!

### For More Information

**Norm Patrick**  
VP, Advisors Plus Consulting  
727.299.2523  
npatrick@advisorsplus.com

**OR**

**Your PSCU Account Executive**



## Will the Trump Administration Disrupt the 2017 Payments Landscape? What Credit Unions Need to Know

### About Advisors Plus

Advisors **Plus** serves as the consulting arm of PSCU, helping credit unions to meet their financial and business challenges and grow. The team provides practical, data-driven expertise in the areas of business strategy, credit cards, debit and checking, marketing growth campaigns, digital and branch channel engagement, and contact center and operations optimization.

With over 250 years of combined experience, Advisors **Plus** consultants partner with credit union management to provide actionable solutions for sustainable business growth, exceptional member experiences and measurable operational efficiencies. For more information, visit [AdvisorsPlus.com](http://AdvisorsPlus.com).

### About PSCU

Established in 1977, PSCU (St. Petersburg, Fla.) is the nation's leading credit union service organization (CUSO). The company was recognized as CUSO of the Year in 2016 by the National Association of Credit Union Service Organizations. PSCU's products, financial services solutions and service model collectively **support** over 850 Owner credit unions representing more than 20 million credit, debit, prepaid, online bill payment and mobile accounts; **protect** over 2 billion transactions annually from fraud; and **optimize** credit union performance and growth. Comprehensive 24/7/365 member support is delivered through call centers located throughout the United States. For more information, visit [PSCU.com](http://PSCU.com).