

MFDF Webinar: 2022 Mid-Term Election Analysis



Agenda

- 118th Congress Overview
- The House of Representatives
- The Senate
- 2023-2024 Outlook

118th Congress

- Republicans hold a narrow majority in the House
 - Speaker Kevin McCarthy (R-CA) faces a challenging road ahead: spending bills, debt ceiling increase, with possible government shutdown and national default
 - Oversight will be a primary priority for House Republicans (e.g., SEC, DHS, Biden administration and family investigations)
 - Other priorities include China competition, immigration, and ESG
- Democrats control the Senate (*51-49)

The House of Representatives

- Republicans control the committees in the House and the agenda
- House Republican leadership “Commitment to America” policy priorities include the Jobs and the Economy Task force (led by House Financial Services Committee Chairman Patrick McHenry, R-NC)
- Potential areas of compromise: cyber, stablecoins, flood insurance, supply chain/China competition

House Financial Services Committee

- Chairman McHenry has been very transparent on what he plans to do
 - Oversight of the Securities and Exchange Commission (focus on ESG and private-fund advisers proposals) and Commodity Futures Trading Commission
 - Focus on legislative proposals to help a broader range of businesses raise money
 - Potential compromise on stablecoin legislation
 - Data privacy reform that would expand Gramm-Leach-Bliley Act personal data protections

The Senate

- Senate Democrats will have 51 seats in the Senate (technically 48 Democrats and three Independents who caucus with the Democrats)
- Democrats will control the committees, can subpoena witnesses and report bills—an important shift from the 117th Congress
- Passing major legislation is largely off the table because of Republican control of the U.S. House of Representatives
- Judicial nominees will be top priority for Senate Democrats and the Biden administration

Senate Banking Committee

- Interesting dynamic with Senator Sharrod Brown (D-OH) presumably running for reelection in Ohio while Senator Tim Scott (R-SC) potentially running for President in 2024
- Opportunities for Senators Brown and Scott to work together on some issues, including housing, flood insurance, cybersecurity
- Committee priorities: Chairman Brown will continue his focus on housing and consumer protection, in addition to crypto-related issues

2023-2024 Outlook

- The 118th Congress will most likely experience continued partisan and intraparty polarization and gridlock with a divided party government
- More actions from the Biden Administration, including a focus on advisers and funds
- Index Act will get a lot of attention in the House and some version of it could move
- Expect heavy focus on oversight, lots of messaging legislation, but also potential to compromise on a few issues
- House Financial Services Republicans will use all the tools at their disposal to slow down SEC Chair Gensler's agenda (e.g., oversight hearings, appropriations process)

Questions?

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