



Financial Services 2025 Regulatory Shifts

Administration Scenario Analysis



Regulatory Insights analyzes the potential shifts to the financial services regulatory environment based on a Democratic or Republican administration in 2025. Key areas of analysis include:

- 1 Agency Leadership**
- 2 Rulemaking**
- 3 Supervision and Enforcement**

An administration change in 2025 may initiate shifts in the regulatory environment but the impact of change is not likely to be immediate—for either a Democratic or Republican administration.

Key Takeaways

1 Agency Leadership

- Changes in agency leadership are dependent on a variety of factors, including a leader's term and desire to remain in the position.
- Few to no leadership changes are expected under a Democratic administration; a Republican administration faces many leaders that may remain in place for more than a year. Leadership changes will impact FSOC composition and global regulatory activities.

2 Rulemaking

- Regulatory changes take years to process—even when an administration priority and with Congressional majority or bipartisan support.
- Use of the Congressional Review Act will be limited given the smaller number of rules issued within the "lookback" period.
- Both Democratic and Republican administrations will use Executive Orders to advance a new

agenda/shift agency focus. Expect a Republican administration to utilize EOs to nullify EOs of the prior administration.

- Regardless of the administration, expect legal challenges and state activities to increase; frameworks and guidance in lieu of net-new regulations; and partisan divides to limit progress on Congressional legislation.

3 Supervision & Enforcement

- Supervisory/examination staff focus largely on completing issues "in process" creating a "lag" from the previous administration's priorities.
- Changes in the supervision/enforcement workforce take time to manifest notable impacts to supervisory volumes
- Key market events (e.g., financial crises) have potentially more immediate and marked impacts on supervisory/enforcement activity.



1 Agency Leadership

Agency leadership helps to set forth the direction and intensity of regulatory activities, rulemakings and supervision/enforcement. Analysis of leadership is complex, taking a variety of factors into consideration, including the existing individual term lengths (and upcoming term end dates), current acting leadership positions, the likelihood of Senate make-up post-election (relative to voting on nominations versus establishment of acting leadership positions), the ease with which the president is able to nominate replacements for agency positions, and the personal decisions by agency leadership to vacate their roles prior to the end of their terms. At a high level, in 2025:

- Under a Democratic administration: few/no changes are likely to leadership at the FRB, SEC,

CFTC, and CFPB; the president would be able to nominate a new Comptroller and a new FDIC Chair (though currently under nomination).

- Under a Republican administration: leadership at the FRB, SEC, CFTC may remain in place until 2026 per their term end dates (though may choose to vacate prior); the president would be able to more easily replace agency heads at the CFPB, FDIC, and OCC - notably all three serve on the 5-member FDIC Board.
- Any changes in agency leadership will impact the composition of the FSOC; a Democratic administration will more likely align with global financial service regulators and standard setters.

A current listing of agency leadership with associated term end dates¹

FRB		
Name	Title	Term Ends
Jerome Powell	(R) Chair**	May 2026 (Chair); January 2028 (as Governor)
Michael Barr	(D) Vice Chair	July 2026 (Vice Chair); January 2032 (Governor)
Phillip Jefferson	(D) Vice Chair	September 2027 (Vice Chair); January 2036 (Governor)
Adriana Kugler	(D) Governor	January 2026
Christopher Waller	(R) Governor	January 2030
Michelle Bowman	(R) Governor	January 2034
Lisa Cook	(D) Governor	January 2038

FDIC		
Name	Title	Term Ends
Martin Gruenberg (Christie Goldsmith-Romero nominated)	(D) Chair**	January 2028 (Chair); January 2029 (Director)
Travis Hill	(R) Vice Chair	January 2029
Jonathan McKernan	(R) Director	May 2024
Rohit Chopra - CFPB Director*	(D) Ex-Officio Director	October 2026
Michael Hsu - OCC Acting Comptroller*	(D) Ex-Officio Director	

CFPB		
Name	Title	Term Ends
Rohit Chopra	(D) Director**	October 2026

OCC		
Name	Title	Term Ends
Michael Hsu	(D) Acting Comptroller**	

SEC		
Name	Title	Term Ends
Gary Gensler	(D) Chairman**	June 2026
Caroline Crenshaw (renominated)	(D) Commissioner	June 2024
Hester Peirce	(R) Commissioner	June 2025
Jaime Lizarraga	(D) Commissioner	June 2027
Mark Uyeda	(R) Commissioner	June 2028

CFTC		
Name	Title	Term Ends
Rostin Benham	(D) Chairman**	June 2026
Christie Goldsmith-Romero (nominated FDIC)	(D) Commissioner	April 2024
Kristin Johnson (nominated to Treasury role)	(D) Commissioner	April 2025
Caroline Pham	(R) Commissioner	April 2027
Summer Mersinger	(R) Commissioner	April 2028

*CFPB and OCC leadership serve on FDIC Board

**FSOC Voting Member

Source: KPMG Regulatory Insights, August 2024

2

Rulemaking

Analyzing potential shifts in financial services rulemaking requires consideration of the full length of time from the initial introduction of bills, studies, and RFIs to the passage of legislation/ issuance of rule proposals to enactment/final rules and then to effective dates. "Tailoring back" existing regulations and/or implementing new regulations historically takes years to process—even those that are a priority for the

administration and have majority and/or bipartisan support.

As an example, the following figure outlines the path of efforts to "tailor" certain financial services rules from the introduction of legislation (EGRRCPA - the Economic Growth, Regulatory Relief, and Consumer Protection Act) to the finalization of implementing rules over a two-year period.

Timeline of Legislation and "Tailoring" Regulations^{2,3}



Source: Congress.gov; US Federal Agency .gov press releases; KPMG Regulatory Insights, August 2024

Congressional Review Act. It should be noted that the use of the Congressional Review Act is expected to be limited in 2025 given that the current administration has finalized many rules on their

regulatory agendas ahead of the "lookback" period, providing fewer opportunities for a new administration to rescind or block rules and regulations completed by the current administration.

Executive Orders. A more expedited approach to regulatory priority setting is the use of Executive Orders (though these are not codified rulemaking). Both a Democratic or Republican administration is likely to utilize Executive Orders to deploy "whole of government" regulatory initiatives. A Republican administration in 2025 is likely to utilize Executive

Orders to nullify prior administration Executive Orders (e.g., climate risk, digital assets, "junk fees", modernizing regulatory review). Expect this expedient tool to be swiftly utilized "day one".

The swift use of this action can be seen in the following examples:

Example Actions Through Executive Order

Trump Administration and "Deregulation"

Jan. 20, 2017

President Trump sworn into office

Jan. 30, 2017

President Trump signs EO 13771, Reducing Regulation and Controlling Regulatory Costs⁴

Biden Administration and Revocation

Jan. 20, 2021

President Biden sworn into office

Jan. 20, 2021

President Biden signs EO 13992, Revocation of Certain Executive Orders Concerning Federal Regulation (including EO 13771)⁵

Source: KPMG Regulatory Insights, August 2024

Challenges to Regulation. Regardless of administration changes, expect legal challenges and state activities to increase; more frameworks and guidance to be issued in lieu of net-new regulations in response to increased legal challenge and recent SCOTUS decisions; and limited progress on new

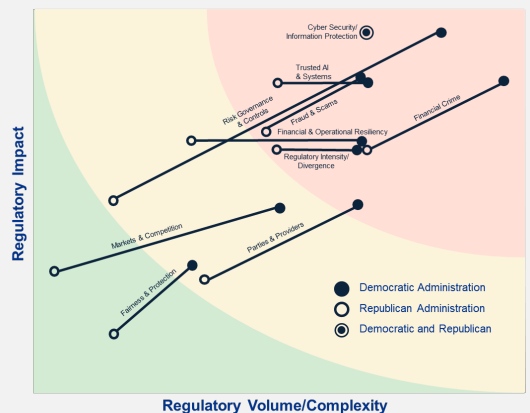
Congressional legislation given partisan divides. The tables below show KPMG Regulatory Insights' proprietary analysis of potential shifts in regulatory activity across key regulatory topics given alternate election outcomes and possible legal and state activity.

Potential 2025 Regulatory Activity

Regulatory Area	Dem. Admin.	Rep. Admin.	Legal Activity	State Activity
Cybersecurity/Information Protection	●	○	↔	↑
Trusted AI & Systems	●	○	↔	↑
Regulatory Intensity/Divergence	●	○	↑	↑
Fraud & Scams	●	○	↔	↑
Fairness & Protection	●	○	↓	↑
Financial & Operational Resiliency	●	○	↔	↔
Financial Crime	●	○	↔	↔
Parties & Providers	●	○	↔	↑
Markets & Competition	●	○	↓	↔
Risk Governance & Controls	●	○	↓	↔

Legend	Decreased regulatory activity	Neutral	Increased regulatory activity
	● ○ ↓	● ○ ↔	● ○ ↑

Potential 2025 Regulatory Shifts



Source: KPMG Regulatory Insights, 2025: The Year of Regulatory Shift, August 2024

3 Supervision and Enforcement

While agency leadership changes may directionally impact longer-term shifts to supervision and enforcement, the focus of supervisory and examination staff, historically has largely been on completing issues "in process". Notable areas include examinations or enforcements "in process", matters already issued and in the course of resolution/remediation, and matters in states of discovery/investigation. This approach typically results in a "lag" of activities from the previous administration's priorities.

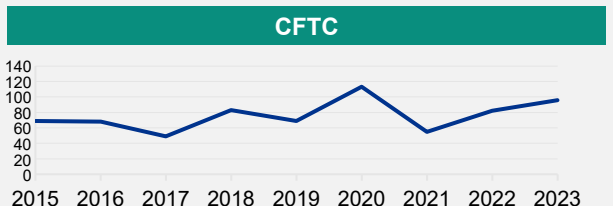
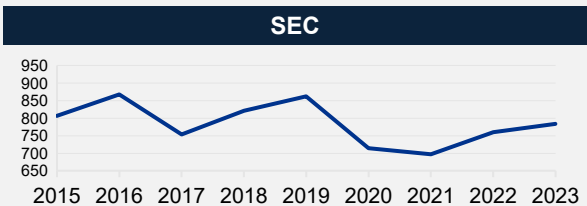
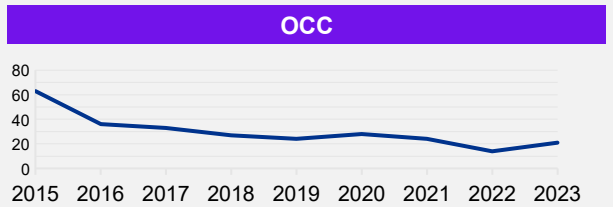
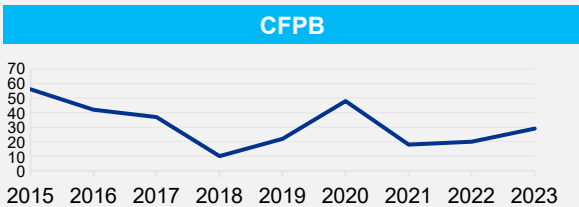
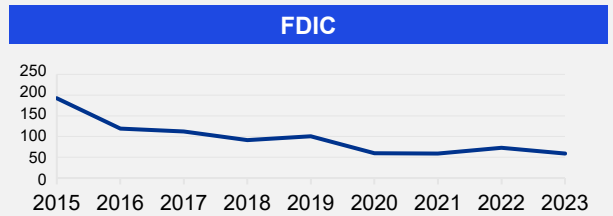
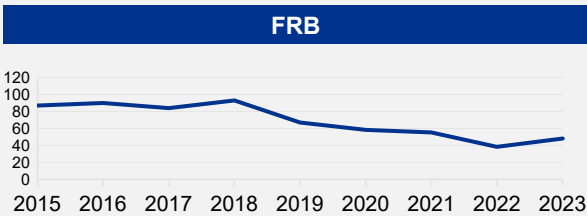
The workforce in the supervisory and enforcement

area, which may vary by administration and funding approval processes, typically also takes time to manifest into notable impacts to supervisory/enforcement volumes. Importantly, most agency staff are driven more by agency mission than by the politics of an administration.

Key market events (e.g., financial crises, pandemics, etc.) have potentially more immediate and marked impacts on supervisory and enforcement activity.

The following tables show enforcement activity over multiple administration changes.

Number of Enforcement Actions by Agency, 2015-2023⁶



Note: SEC and CFTC issue reports on FY basis beginning in Oct

Endnotes

¹Nomination, confirmation, and term detail available at [Congress.gov](https://www.congress.gov)
²Source: Legislative history of S.2155, An act to promote economic growth, provide tailored regulatory relief, and enhance consumer protections, and for other purposes; became Public Law 115-174; available at [Congress.gov](https://www.congress.gov)

³Source: US Federal Agency .gov press releases
⁴Source: Federal Register 2017-02451
⁵Source: Federal Register 2021-01767
⁶Source: US Federal Agency press releases and .gov agency site data (2015-2024)

[Click here](#) to subscribe to **KPMG Regulatory Insights**

In case you missed it!



[2025: The Year of Regulatory Shift](#)

Coming Soon!

Be on the lookout for the
Ten Key Regulatory Challenges of 2025
coming after the 2024 U.S.
Election.

Contact



Amy Matsuo
Principal and Leader
Regulatory Insights
amatsuo@kpmg.com

Connect on [LinkedIn](#)

Learn about us:



kpmg.com



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.