

## This Week in Wall Street Reform | July 11-17, 2015

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### CONSUMER FINANCE & THE CFPB

#### [Debtors Unfairly Excluded From Protection](#)

**Editorial, New York Times, 7/16**

The large debt loads that weigh heavily on Americans and the American economy — in mortgages, student loans, and most recently, the bonds of Puerto Rico — have one thing in common: They cannot be restructured in bankruptcy. Creditors cannot be compelled by the court to reduce such debts, leaving insolvent borrowers at the mercy of lenders. The situation is unfair, because creditors often bear at least partial responsibility for loans that fail and so should share the pain of bankruptcy with borrowers. It is also harmful, socially and economically... But reform of the bankruptcy law, while urgently needed, is very difficult.

#### [Brown Introduces Bill to Strengthen Credit Reporting Accuracy](#)

**Press Release, Office of Senator Brown, 7/15**

(With quotes of support from AFR, CFA, CRL, Consumer Action, Consumers Union, Leadership Conference on Civil and Human Rights, NACA, NCLC, NCRC, Public Citizen, and U.S. PIRG.)

#### [Dodd-Frank: An Analysis of How Far Agencies Have Come and What's Next](#)

**Xhevrije West, MReport, 7/17**

CFPB Director Richard Cordray delivered a speech [yesterday](#) at the Americans for Financial Reform Event on CFPB Anniversary highlighting all that the CFPB has accomplished so far since their start following the crisis.

"In a very short time, we have done new and important work," Cordray said. "We have also written mortgage origination rules to help ensure that consumers can afford to repay their loans without being set up to fail and mortgage servicing rules that help end surprises and runarounds for consumers who have bought a home. We have written rules to provide new consumer protections for remittance transfers, and we are working on rules that would provide new consumer protections for prepaid cards and prepaid accounts, as well as payday loans, debt collection, and arbitration agreements."

**Video of event:** "Dodd-Frank at 5, The Consumer Bureau at 4," sponsored by Americans for Financial Reform, Consumer Federation of America, The Leadership Conference on Civil and Human Rights, National Association of Consumer Advocates, National Consumer Law Center, National Council of La Raza, Public Citizen, U.S. PIRG

#### [Four years working for you](#)

**Zixta Martinez, CFPB, 7/15**

**[CFPB by the Numbers](#)** (revised July 2015)

#### [Proposed law would require creditors to show a zero balance for debt discharged in bankruptcy](#)

**Blog, NJToday.net, 7/16**

"A disturbing number of creditors have failed to ensure that bankruptcy discharges are reflected on consumer credit reports — and some appear to have done so deliberately, seeking unfair and illegal leverage over consumers," said Blumenthal. "This bill, which will require banks to notify reporting agencies about discharged debts, will help prevent

those debts from hanging over consumers' heads as they seek a more financially secure future.”

“When a family makes the difficult decision to go through bankruptcy proceedings, they shouldn't also have to worry that their discharged debts will continue to haunt their credit report,” said Durbin. “This bill is about protecting consumers' right to a credit report that is a true representation of their financial status, and a credit score that is fair and accurate.”

### [Big Win for CFPB on Debt Collection](#)

**Dalié Jiménez, Credit Slips, 7/15**

### [CFPB Hearing Takeaways - Auto Finance, TRID, Mandatory Arbitration](#)

**Isaac Boltansky, Compass Point, 7/15**

### [Consumer watchdog fends off Republican attacks](#)

**Tim Devaney, The Hill, 7/15**

### [Cordray Meets No Opposition from GOP Senators on Payday Lending Rules](#)

**Gabe Rubin, Morning Consult, 7/15**

### [How This Startup Plans to Disrupt Payday Lending](#)

**Zoe Henry, Reporter Inc., 7/15**

### [NCLC Report Finds Payday Lender Prepaid Cards Are Primed for Predatory Loans and Overdraft Fees](#)

**Press Release, National Consumer Law Center, 7/15**

### [Easy access to fast cash leads to a cycle of debt](#)

**Rep. Terri Sewell, The Hill, 7/14**

Sixty-eight members of Congress joined me in sending a letter to CFPB Director Richard Cordray to express our support for the CFPB's proposals. We strongly urge the industry to work with the CFPB to end unfair and abusive lending practices.

Predatory lending compromises the financial security of millions of Americans, and it's a problem that's too big to ignore.

These types of loans specifically target financially vulnerable communities where residents have limited access to traditional bank loans or credit. A disproportionate number of these borrowers are African-American or Latino, and the mean income for all borrowers is \$22,476.

In Alabama alone, payday lenders collected a staggering \$232.1 million in fees last year.

### [U.S. Treasury Looks into Online Marketplace Lending Industry](#)

**Ryan Tracy & Peter Rudageair, Wall St. Journal, 7/16**

The U.S. Treasury Department on Thursday opened a study of the online marketplace lending industry, in one of the first federal forays into the fast-growing sector that is an evolving alternative to traditional banking. The Treasury asked for information about the benefits and risks associated with new online lending platforms—the type of technology that has been pioneered by Lending Club Corp. and other new “fintech,” or financial technology, startups. The companies, sometimes called peer-to-peer lenders, are online platforms that match borrowers with investors. The move raised the possibility of new rules for the industry after years of operating relatively untouched by government oversight.

Regulations could raise online lenders' costs, but could also benefit the industry in the long term by encouraging stronger lending standards and consumer protections, analysts said.

### [Congress Urges Stronger Action Against Payday Loan Vendors](#)

**Charlene Crowell, Dallas Weekly, 7/13**

“As consumer advocates stress the importance of the ability to repay a loan as a cornerstone of both responsible lending and effective regulation, a new poll jointly commissioned by Americans for Financial Reform and the Center for Responsible Lending, asked 2016 likely voters their opinions on consumer lending and regulation, Wall Street influences and actions taken by the Consumer Financial Protection Bureau (CFPB).”

[Credit would be restricted](#)

Andrew F. Quinlan., Philadelphia Inquirer, 7/14

[Targeting 'payday' loans](#)

Gynnie Robnett, Philadelphia Inquirer, 7/14

There is nothing radical or extraordinary about the proposal the CFPB has begun to outline. At their heart, the new rules would simply require payday lenders to do what responsible lenders, like some credit unions and mortgage companies, do as a matter of course - make affordable loans.

[Senate Dems call on CFPB to write small-business loan reporting rule](#)

Lydia Wheeler, The Hill, 7/10

[Honda Finance Unit Must Pay \\$24 Million For Charging Higher Interest To Non-White Borrowers](#)

Ashlee Kieler, The Consumerist, 7/14

[Unpacking the FTC's payday-lending settlement with Tim Coppinger and Ted Rowland](#)

David Hudnall, The Pitch, 7/14

[ABA: CFPB Study Shows Benefits of Arbitration](#)

Blog, ABA Banking Journal, 7/13

[Survey: Military Families Carry More Debt, Have Fewer Assets Than Civilians](#)

Herb Weisman, NBC News, 7/13

[CFPB Outlines Consumer Protections for New Payments Systems](#)

Tanaya Macheel, American Banker, 7/10

[CFPB Releases Educational Guides To Help Non-English Speakers Avoid Scams, Understand Financial Issues](#)

Ashlee Kieler, The Consumerist, 7/10

[Choke Point Lawyers Treated Lenders Properly: DOJ Probe](#)

Joe Adler and Victoria Finkle, American Banker, 7/10

[California Payment Processing Company Owner Pleads Guilty to Fraud](#)

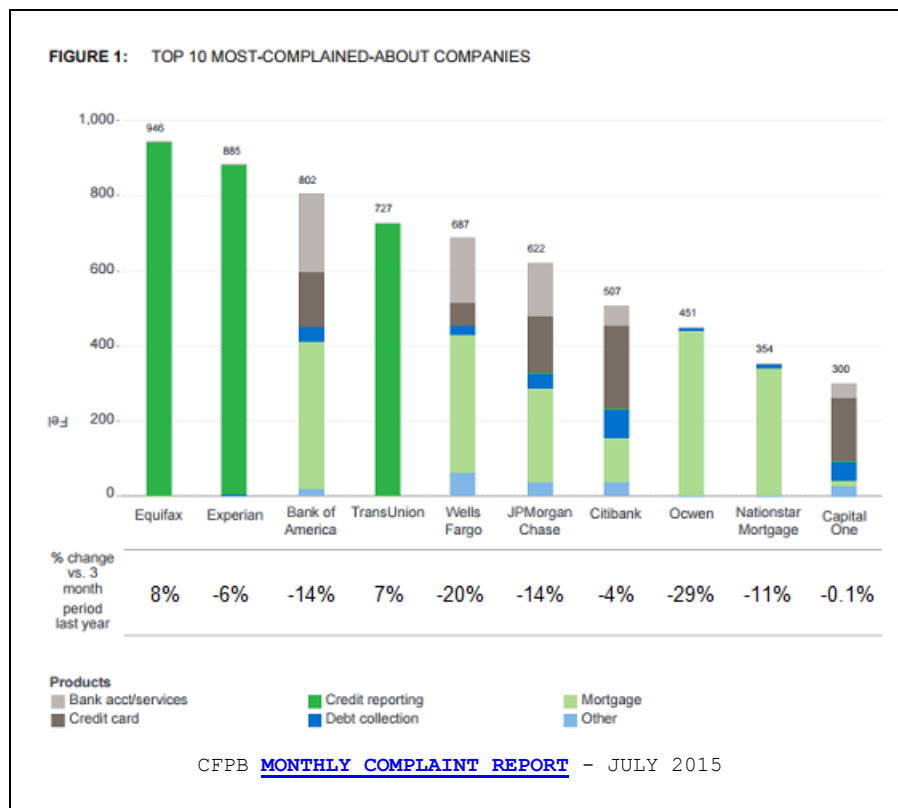
Press Release, Dept. of Justice, 7/16

[Why JPMorgan Chase Owes Consumers \\$50 Million](#)

Bob Sullivan, Credit.com, 7/9

[JPMorgan Enforcement Action Solidifies CFPB Negligence Standard](#)

Ari Karen, National Mortgage News, 7/14



[These financial companies get the most complaints](#)

Kelley Holland, CNBC, 7/17

[New monthly reports distill consumer beefs about banks](#)

Annie Baxter, MarketWatch, 7/17

[Consumer Financial Protection Complaint Database Extends Vital Role for Citizens in Enforcement Process](#)

Scott Klinger, Center for Effective Government, 7/15

The agency's decision to make the complaints public was bolstered by about 30,000 citizen comments on a proposed rule last year. Americans for Financial Reform, U.S. PIRG, and many other consumer advocacy groups helped organize citizen pressure. Overwhelming public support for the measure allowed the agency to reject industry objections to allowing consumer comments to be posted directly on the agency's website.

**DERIVATIVES, COMMODITIES & THE CFTC**

[CFTC Requests Public Comment on Rule Amendment Certification Filing by Ice Futures](#)

Kevin M. Foley and Swathi Gandhavadi Griffin, National Law Review, 7/10

[Financiers attack EU rules against food speculation](#)

Dario Sarmadi, EurActiv.de, 7/15

**DODD-FRANK ANNIVERSARY**

[Warren, Brown Decry Attempts to Water Down Dodd-Frank](#)

John Heltman, American Banker, 7/15

See [agenda](#) and [video](#) of AFR's Dodd-Frank anniversary conference.

[Treasury Secretary Jacob J. Lew on Dodd-Frank at Five](#)

Prepared Remarks, Brookings Institution, 7/8

[Regulatory Rollback Is Wrong for Financial Markets](#)

Antonio Weiss, Wall Street Journal, 7/12

[Five Years Of Dodd-Frank: 'Too Big To Fail' Still Unresolved](#)

Norbert Michel, Forbes, 7/14

[Assessing Progress on Too Big to Fail](#)

Lael Brainard, Bipartisan Policy Center, 7/9

[Hensarling: Efforts to revisit Dodd-Frank ongoing despite challenges](#)

Peter Schroeder, The Hill, 7/16

[Financial reform at 5: Some gains, some big disappointments](#)

Orson Aguilar, The Island Packet, 7/17/15

## **ENFORCEMENT**

[Germany Blasts Deutsche Bank Executives Over Culture](#)

David Enrich, Jenny Strasburg and Eyk Henning, Wall St. Journal, 7/16

German regulators accused a half-dozen current [Deutsche Bank](#) AG executives of failing to stop or tell regulators about years of attempted market manipulation, according to a confidential report reviewed by The Wall Street Journal that portrays the German bank as suffering from a badly broken corporate culture.

BaFin, the German financial watchdog, sent the report to Deutsche Bank's management board May 11, less than a month before the German lender unexpectedly announced that its co-chief executives, [Anshu Jain](#) and Jürgen Fitschen, [planned to resign](#). Deutsche Bank officials said in June that the resignations weren't the result of regulatory pressure.

[Convictions Prove Elusive in 'London Whale' Trading Case](#)

James B. Stewart, N.Y. Times, 7/16

[Time for Three Strikes and You're Out for Banks?](#)

Katherine McFate, Center for Effective Government, 6/17

On May 20, five of the biggest banks in the world pleaded guilty to charges of interest rate manipulation and agreed to pay \$2.8 billion in fines for the felonies they committed. Two of the banks, J.P. Morgan Chase and Citigroup, are U.S.-based. Each has a long rap sheet of recent settlements for their corporate misdeeds, and each has paid large fines and settlements -- nearly \$35 billion in the case of JP Morgan Chase. But otherwise, these businesses go on with no reduction of rights or privileges and with no decision makers being sent to prison. A criminal double standard: individuals go to jail for illegal acts, but corporations get probation and business as usual.

[CFTC Sues Chinese Citizen Accused of Executing Fraudulent Money Pass Trades](#)

Zachary Denver and Michael Gordon, National Law Review, 7/10

[Scope of Dodd-Frank Whistleblower Anti-Retaliation Provision Remains Critical, Open Question \[VIDEO\]](#) John

Fullerton, National Law Review, 7/14

## **EXECUTIVE COMPENSATION**

[On CEO pay rules, stark delays are unacceptable](#)

Lisa Gilbert, CitizenVox, 7/16

### [The 3 Most Asinine Corporate Arguments Against CEO-Worker Pay Disclosure](#)

Sarah Anderson, Alternet, 7/15

### [Let's Imagine Ways To Spend \\$5.2 Billion \(Other Than Paying 500 CEOs\)](#)

Rick Claypool, BuzzFeed, 7/15

### [Things That Have Happened Since Dodd-Frank Was Passed](#)

Kelly Ngo, The Medium.com, 7/15

### [Pay Ratio Disclosure: A Look at the Latest Public Comments](#)

Kristin Lin, Wall Street Journal, 7/15

### [More Than 165,000 Petition Signers Demand SEC Finalize Rule Requiring CEO-to-Worker Pay Ratio Disclosure](#)

Press Release, ENEWSPF, 7/14

In petitions delivered today to the U.S. Securities and Exchange Commission (SEC), more than 165,000 Americans demanded that the commission finally implement the proposal requiring companies to disclose their CEO-to-median worker pay ratio which was mandated by the Dodd-Frank Act of 2010. The petition signatures were gathered by the AFL-CIO, CREDO Action, MoveOn.org, Americans for Financial Reform and Public Citizen.

### [Incredibly Guilty -- Washington Wants the Loot Back](#)

Bartlett Naylor, Huffington Post, 7/16

Public Citizen joined other members of the umbrella group **Americans for Financial Reform** to urge the SEC to propose and finalize a strong claw back rule. We are generally pleased with the contours of the SEC's proposal. The SEC can strengthen the proposal by including "revisions," which is the even softer form for "restatements." The SEC also allows some managers to retain their compensation even after a restatement if the cost of recovery exceeds what's being recovered, although it must name those managers.

Public Citizen also supports parallel reforms. Senior banker pay should be deferred in a pool for 10 years and used to pay penalties for violations such as fraud. Currently, penalties are paid by shareholders, who are hardly accomplices to fraud. Such a penalty pool would motivate managers to keep one another honest.

### ['Clawbacks' Could Backfire](#)

Andrew Sorkin, New York Times, 7/13

## **FEDERAL RESERVE**

### [Janet Yellen Warns Congress Against Adding to Fed's Oversight](#)

Binyamin Appelbaum, New York Times, 7/15

### [Yellen stands by Fed's transparency as lawmakers turn up heat](#)

Michael Flaherty and Howard Schneider, Reuters, 7/15

### [GOP uses Fed standoff to build case for reforms](#)

Peter Schroeder, The Hill, 7/14

### [NY Fed Official to Currency Traders: Adhere to Industry Best Practices](#)

Katy Burne, Wall Street Journal, 7/14

## **HIGH-FREQUENCY TRADING**

### [Speed Traders, Banks Called Out in Report on Treasury Swing](#)

David Michaels, Bloomberg, 7/13

## [Regulators Tie High-Speed Trading to Treasury Volatility](#)

Ian Katz, Bloomberg, 7/12

## INVESTOR PROTECTION & THE SEC

### [Chamber calls for SEC enforcement reform](#)

Patrick Temple-West, Politico, 7/15

### [Report: SEC investigating fake story about Twitter](#)

Roger Yu, USA Today, 7/14

### [SEC Investor Advocate: MSRB Public Investor Proposal 'Deeply Flawed'](#)

Jack Casey, The Bond Buyer, 7/14

The proposal "weakens the standard for material business relationships and allows the board to consider less independent applicants for the public investor representative seat," SEC Investor Advocate Rick Fleming said in an eight-page letter to the MSRB. "In our view, the proposal is based on an overly restrictive view of the existing pool of qualified candidates and focuses far too narrowly on what appears to be one preferred type of candidate," he said.

Several other industry groups echoed the investor advocate's concerns in their letters to the SEC, including the National Association of Municipal Advisors, **Americans for Financial Reform**, the American Federation of State, County and Municipal Employees, and the Consumer Federation of America.

See [Joint Letter](#) to Municipal Securities Rulemaking Board from AFR, AFSCME, and CFA.

### [U.S. appeals court finds SEC cannot retroactively apply Dodd-Frank bans](#)

Sarah Lynch, Reuters, 7/14

### [The State of Cost-Benefit Analysis at the S.E.C.](#)

David Zaring, New York Times, 7/13

### [Wall Street's Top Cop Takes Harder Line](#)

Jean Eaglesham and Andrea Fuller, The Wall Street Journal, 7/13

### [SEC's White fires back at Elizabeth Warren](#)

Patrick Temple-West, Politico, 7/10

### [Can corporate accounting ever be reformed?](#)

Eleanor Bloxham, Fortune, 7/13

### [How This Startup Is Channeling Elizabeth Warren to Change the Face of Banking](#)

Christina Wilkie, Huffington Post, 7/17

## MORTGAGES & HOUSING

### [Congress should maintain protections for low-wage homebuyers](#)

Doug Ryan, The Hill, 7/17/15

### [Housing rules are new battlefield for Obama](#)

Tim Devaney, the Hill, 7/12

### [CFPB may revisit mortgage rules over income concerns](#)

Jon Prior, Politico, 7/15

[FHA Lending Proposal Gives Wall Street Banks Free Pass at Taxpayers' Expense](#)

Rep. Maxine Waters and Sens. Sherrod Brown and Elizabeth Warren, Joint Statement, 7/14

[Hensarling to tackle housing, 'too big to fail'](#)

Zachary Warmbrodt, Politico, 7/16

[Mortgage Problems Rank #1 at CFPB for Consumer Complaints](#)

Press Release, USPIRG, 7/14

## **POLITICAL INFLUENCE OF WALL STREET & REVOLVING DOOR**

[Elizabeth Warren Sends Hillary Clinton a Message](#)

Sam Frizell, Time, 7/17

Massachusetts Sen. Elizabeth Warren drew a bright red line on Friday for 2016 presidential candidates, calling for them to commit to end the so-called “revolving door” between Wall Street and the Cabinet.

The firebrand populist said specifically that all the presidential candidates should support Wisconsin Sen. Tammy Baldwin’s bill introduced this week that would prohibit bonuses for Wall Street executives who take government jobs.

“Anyone who wants to be President should appoint only people who have already demonstrated they are independent, who have already demonstrated that they can hold giant banks accountable,” said Warren, speaking in Phoenix at Netroots Nation, a convention of liberal activists.

[Democrats’ corporate and progressive wings dicker over SEC opening](#)

Francine McKenna, MarketWatch, 6/17

On June 15 the group Americans for Financial Reform [wrote to Obama](#) calling for the president to nominate “people who are not rotating through the revolving door, and who will help the agency to be a tough and effective rule writer and watchdog to promote the safety, fairness and transparency of the capital markets.”

That letter, on Americans for Financial Reform letterhead, was signed by 16 further organizations including the Consumer Federation of America, the AFL-CIO, U.S. PIRG and Public Citizen. AFR, U.S. PIRG and the AFL-CIO declined to comment on any specific names or a referral process. The Consumer Federation’s Barbara Roper did not return calls seeking a comment.

Also advocating for a change to the status quo in the nominating process is Rootstrikers, which put together a petition at [NoMoreMaryJos.com](#) . The petition addresses the president: “Please do not nominate or confirm another weak-on-Wall-Street revolving door commissioner. Instead, select and confirm strong regulators who are willing to enforce the rules, even on the biggest banks.”

[Baldwin and Cummings Introduce Financial Services Conflict of Interest Act](#)

Press Release, Office of Senator Baldwin, 7/15

[Blythe Masters joins subprime auto group](#)

Ben McLannahan, Financial Times, 7/15

[Slowing the Wall Street-Washington Revolving Door](#)

Craig Holman, Huffington Post, 7/15

[The Bancorp's Meholic named to Federal Reserve committee](#)

Jeff Mordock, Delaware Online, 7/14

[The ex-Wall Streeter Elizabeth Warren bulldozed out of a top spot at the Treasury defended Dodd-Frank in the WSJ](#) -

Portia Crowe, Business Insider, 7/13



## PRIVATE EQUITY & HEDGE FUNDS

### [An asset owner's challenge to private equity managers](#)

David M. Silber, Pensions and Investments, 7/13

### [The IRS Will Close This Tax Loophole -- Unless Wall Street Gets Its Way](#)

David Dayen, The American Prospect, 7/9

## RETIREMENT SECURITY AND DOL FIDUCIARY RULE

### [DOL Fiduciary Redraft Will Be Changed, Top Official Says](#)

Think Advisor, 7/16

A top Department of Labor official involved in crafting Labor's rule to amend the definition of fiduciary on retirement accounts said Thursday that while DOL is committed to fixing "demonstrable injuries" in how retirement advice is delivered to retail investors through its fiduciary rulemaking, the current redraft will be modified.

By moving forward with its redraft to amend the definition of fiduciary under the Employee Retirement Income Security Act, DOL has "identified what we believe are demonstrable injuries in the way advice is delivered to retirement investors," Timothy Hauser, deputy assistant secretary for DOL's Employee Benefits Security Administration, said during comments at a meeting held by the Securities and Exchange Commission's Investor Advisory Committee.

### [Fiduciary Advocates Drop 230,000 Signatures at DOL's Doorstep](#)

Ted Knutson, Financial Advisor, 7/16

Consumer advocates dropped an estimated 230,000 signatures at the doorstep of the Department of Labor headquarters Thursday in what will likely be the biggest public display of support for the DOL's proposed fiduciary rule for advisors to retirement plans.

CREDO Action, MoveOn.org, Americans for Financial Reform and Public Citizen gathered the signatures through an e-mail petition drive.

### [U.S. lawmaker cites delays, Labor Dept interference, in request to SEC](#)

Sarah Lynch, Reuters, 7/14

## STUDENT LOANS & FOR-PROFIT EDUCATION

### [Does a for-profit college education pay off?](#)

Stephanie Cellini, Brookings, 7/16

### [Why For-Profit Education Should Give Us Pause](#)

William Fenton, PC Magazine, 7/15

### [117 Groups Call For Strong CFPB Action To Protect Student Loan Holders](#)

Editorial, ValueWalk, 7/14

"Yesterday 116 state, local, labor, civil rights, housing, consumer, and other groups, including Americans for Financial Reform, sent a joint response to the Consumer Financial Protection Bureau's request for information (RFI) on student loan servicing issues. In their letter, the groups called for stronger measures to protect borrowers' rights and help them repay their loans successfully. This overwhelming show of support for changes to the system underscore just how badly servicing reforms are needed for student lending, just as they were needed in mortgage servicing."

See [Joint Letter](#) urging CFPB to protect consumers from unfair servicing practices.

[New Student Loans For a New For-Profit Education Sector](#)

Anya Kamenetz, NPR, 7/14

[Time for a Major Redo of Our Entire Student-Loan System](#)

Kelly Field, Chronicle of Higher Education, 7/14

[Changing grants to loans will hit the poorest students](#)

James Elliott, The New Statesman, 7/13

[Now You Can Pay for Code Boot Camp With Student Loans](#)

Issie Lapowsky, Wired, 7/13

[Education Dpt. to Delay Some Corinthian Student-Loan Collection](#)

Stephanie Gleason, Wall Street Journal, 7/10

[Two-thirds of subsidized financial aid swallowed up by tuition increases, Federal Reserve Bank study finds](#)

Greg Piper, The College Fix, 7/10

[These 20 schools are responsible for a fifth of all graduate school debt](#)

Danielle Douglas-Gabriel, Washington Post, 6/9

[GI Bill Funding 2,000 Unaccredited Schools for Veterans](#)

Here and Now, WBUR, 7/15

## **SYSTEMIC RISK**

[Warren says No to Raising Threshold for Regional Banks](#)

Patrick Temple-West and Zachary Warmbrodt, Politico, 7/14

Warren, speaking at an event hosted by the liberal-leaning **Americans for Financial Reform**, said lifting the threshold to \$500 billion, as the Republicans proposed, would exempt about 30 of the country's 40 biggest banks from the rules.

"These bigger banks and their allies in Congress are pressing to increase this \$50 billion threshold," Warren said. "Those banks are the same size as the banks that played a key role in sparking the 2008 crisis."

[Still Too Big to Fail](#)

Nicole Gelinas, US News and World Report, 7/15

[The U.S. Needs 'Too Big to Fail' Banks](#)

Kenneth Thomas, American Banker, 7/15

[Big US fund managers fight off 'systemic' label](#)

Barney Jopson and Stephen Foley, Financial Times, 7/14

["Macprudential Policy: Silver Bullet or Refighting the Last War?"](#) – this should go in systemic risk, not here

Claude Lopez, Donald Markwardt, and Keith Savard, Milken Institute

[Warren calls for return of Glass-Steagall](#)

Kevin Cirilli, The Hill, 7/14

[Financial adviser: Clinton won't push Glass-Steagall bank bill](#)

Peter Schroeder, The Hill, 7/13

[Wall Street is scaring Congress with talk of the next crisis, but is it a real threat?](#)

Jennifer Liberto and Zachary Warmbrodt, Politico, 7/13

### [Asset managers expect systemic salvation](#)

Mike Foster and Mark Cobley, *Financial News*, 7/16

### [Rate Hike Redemption Fears Overblown: BlackRock](#)

Clayton Browne, *Value Walk*, 7/14

“Regulators are looking at asset managers in anticipation of possible redemptions because we have seen unprecedented inflows and they are much larger,” explained Marcus Stanley, policy director at **Americans for Financial Reform**. “It’s not the same situation as the historical precedent.”

### [Clinton: Too-big-to-fail banks are still 'too big a problem'](#)

Joseph Lawler, *Washington Examiner*, 7/13

## OTHER TOPICS

### [Hillary Clinton vows to give workers a raise](#)

Tory Newmyer, *Fortune*, 7/13

Clinton reserved her toughest talk for the financial industry. In a subtle swipe at her former boss, she declared it wrong that Wall Street executives have escaped prosecution even when their firms have admitted to crimes, “and on my watch, it will change,” she said. Funds recovered from penalties on both firms and individuals should pay for new investments in infrastructure — or be returned directly to taxpayers, she said. And despite the post-crisis reforms tackling Too Big To Fail institutions, Clinton said too many major financial firms still pose systemic risks, suggesting she’d apply a litmus test to ensure the regulators she appoints agree. And she vowed to subject firms operating in the shadow banking system to new regulatory scrutiny, as well. But she was short on specifics — a fact highlighted by a heckler who tried to interrupt to demand whether she would restore the prohibition on securities trading by commercial banks that her husband removed (Clinton ignored him).

### [Clinton gets tough on Wall Street, vows to tighten oversight](#)

Luciana Lopez and Jonathan Allen, *Reuters*, 7/13

### [Progressives Aim to Push Hillary on Wall Street Reform](#)

George Zornick, *The Nation*, 7/15

Clinton explicitly said she wanted to go “beyond Dodd-Frank” instead of simply defending what has already been enacted. Moreover, she cited the shadow-banking sector as an area in need of reform: This is the aspect of Wall Street that isn’t exactly banking—hedge funds, high-frequency traders, finance companies—and so isn’t subject to the same tough regulation. This sector is booming at [pre-crisis levels](#), and reformers were pleased that Clinton singled it out...

At one point during the speech, Clinton said she “will appoint and empower regulators who understand that ‘too big to fail’ is still too big a problem.” On Wednesday, three leading progressive groups—the Progressive Change Campaign Committee, Democracy for America, and **Americans for Financial Reform**—announced a petition that they hope will keep momentum behind that promise.

The groups listed several key regulatory positions, ranging from the Treasury secretary to the Federal Trade Commission chair, that should be staffed by people who have demonstrated “a strong commitment toward holding Wall Street accountable. They extended this demand to the staffing of presidential campaigns as well.

### [Clinton calls for financial regulation beyond Dodd-Frank](#)

Clea Benson, *Politico*, 7/13

### [The Real Nine Most Terrifying Words in the English Language](#)

James Goodwin, *Coalition for Sensible Safeguards*, 7/15

“I’m Republican, and I want to do regulatory reform.” Whether they’ve uttered that exact nine-word phrase or not, virtually every Republican on Capitol Hill has enthusiastically endorsed the sentiment it expresses at some point—if not on a near-daily basis—during the last few years. Who could blame them? The unshakable conviction that our

regulatory system is broken and that gutting it is the key to its salvation is apparently one of the few areas where all the GOP's members can find common ground. Attacking the regulatory system has become a safe topic of conversation for conservatives—almost their version of “weather” small talk. And not for nothing, they're pretty confident it's a political winner, too.

**[Bank Regulators Flunk the Diversity Test](#)**

**Sasha Werblin, American Banker, 7/14**

**[Goldman Sachs Profits on a Wave of Deals](#)**

**Justin Baer, Wall St. Journal, 7/16**