

# THIS WEEK IN WALL STREET REFORM

## TABLE OF CONTENTS

<b>Big Picture</b> .....	<b>3</b>
Wall Street Continues to Spend Big on Lobbying.....	3
Credit Rating Agencies Spend \$1.76 Million Lobbying Over Regulations .....	3
As Business Takes Aim at Dodd-Frank, Battle Shifts to Courts .....	3
Factbox: Five endangered Dodd-Frank rules .....	3
NFIB, Blanche Lincoln start targeting regulations .....	3
Republicans adopt more nuanced fight against Wall St. reform law .....	3
From Full Repeal to Piecemeal: Why GOP Changed Tack on Dodd-Frank .....	4
Pressured by White House, Treasury Secretary Is Expected to Stay at Post.....	4
<b>Rich Cordray Nomination</b> .....	<b>4</b>
Senate delays hearing for consumer agency nominee Richard Cordray .....	4
While on summer recess, Congress blocks recess appointments .....	4
Rachel Maddow Breaks Down the Danger of Obstruction to a CFPB Head.....	4
Richard Cordray faces toughest test yet as nominee to lead consumer agency .....	4
Home state sheriffs back Cordray for Consumer Bureau.....	5
Editorial - Consumer watchdog.....	5
Richard Cordray's confirmation waits while Senate goes home (don't say they're on 'recess') .....	5
LTE - GOP trying to weaken consumer protection .....	5
<b>CFPB and Consumer Issues</b> .....	<b>6</b>
CFPB launches round 3 of Know Before You Owe project .....	6
Wal-Mart Cashing More Checks Has Banks Demanding U.S. Oversight .....	6
No Day in Court for Bank Clients.....	6
Consumer Financial Protection Bureau issues four interim final rules .....	6
FTC examines car sales, financing abuses targeting U.S. troops.....	6
CFA - Despite FRB Opt-In Rules, Big Banks Still Charge Steep Fees for Overdrafts .....	7
Telecom vet answers call to join CFPB .....	7
Doonesbury - Elizabeth Warren.....	7
<b>Shadow Markets and Systemic Risk</b> .....	<b>8</b>
GOP Lawmaker Wants To Reform, Restructure SEC.....	8
CFTC to finalize third set of Dodd-Frank rules .....	8
Playing “pretend” with credit risk.....	8
Capital One’s ING Deal Opposed on ‘Too-Big-to-Fail’ Grounds .....	8
AFR Bulletin - More Bank Capital Will Improve Financial Stability Without Harming the Economy.....	9
Bachus Presses on Derivatives .....	9
Revolving Door at S.E.C. Is Hurdle to Crisis Cleanup.....	9

<b>Commodity Speculation.....</b>	<b>9</b>
Oil Climbs as Stimulus Speculation Counters Economy, Gain in U.S. Supplies.....	9
<b>Foreclosures and Housing .....</b>	<b>10</b>
NCLC and NACA joint comment letter on the proposed credit retention rule and its exceptions .....	10
CRL's comment letter on proposed rulemaking on credit risk retention requirements.....	10
CFA's comment letter on proposed Rulemaking on credit risk retention requirements .....	10
CRL - Mortgage Market of the Future can Produce Sensible Loans without High Down Payments .....	10
Mortgage Servicing Standards Take Center Stage at Senate Banking Committee Hearings .....	10
Bankers Fear 'Witch Hunt' in Government's Pursuit of Fair Lending Cases .....	10
BofA Proposes Loan-Forgiveness Deal .....	10
Lawmakers push for year-long forbearance on GSE mortgages .....	10
Rats Spread As Baltimore Fights Foreclosures.....	10
<b>Executive Compensation .....</b>	<b>11</b>
Executives have their 'say on pay' .....	11
What about those say-on-pay 'no' votes .....	11
Insight: CEOs warned: mind the pay gap .....	11
<b>Interchange.....</b>	<b>11</b>
Heartland Ready to Deliver 'Durbin Dollars' to Merchants .....	11
<b>Student Lending .....</b>	<b>12</b>
For-Profit Colleges Draw Minorities, Stir Murky Debate On Student Success College Graduates.....	12
<b>FTT .....</b>	<b>12</b>
EU members agree Brussels draft as basis for budget talks .....	12
<b>OTHER .....</b>	<b>12</b>
HSBC to Cut 30,000 Jobs by 2013 as Costs Rise .....	12
Brazil Unveils New Measures To Contain Real's Strength.....	12
AAA Rating Is a Rarity in Business .....	12
Colbert Scoffs At 'Moody' And 'Elitist' Credit Rating Agencies .....	12
Banks scale back as regulations weigh.....	13
PRWatch.org – Money Still Owed in Federal Bailout: \$1.5 trillion Still Owed to Treasury, Federal Reserve.....	13
<b>Upcoming Events .....</b>	<b>13</b>

## **Big Picture**

### **Wall Street Continues to Spend Big on Lobbying**

Ben Proress (NYT/Dealbook)

August 1, 2011

*“The financial industry has spent more than \$100 million so far this year to court regulators and lawmakers, who are finalizing new regulations for lending, trading and debit card fees. During the second quarter, Wall Street spent \$50.3 million on lobbying, a small dip from the prior period, according to an analysis by the Center for Responsive Politics.” [Click here for more.](#)*

### **Credit Rating Agencies Spend \$1.76 Million Lobbying Over Regulations**

Stephen Braun (Huffington Post)

August 1, 2011

*“The three major credit rating companies poised to decide whether to downgrade the nation's top-ranked debt standing are at the same time spending hundreds of thousands of dollars to lobby the Obama administration and Congress over the way the government regulates them.” [Click here for more.](#)*

### **As Business Takes Aim at Dodd-Frank, Battle Shifts to Courts**

Nathan Koppel (WSJ – subscription required)

July 29, 2011

*“First Congress was lobbied, then the regulators. Now the battle over the Dodd-Frank law is shifting to the courts. Some business groups are considering filing lawsuits aimed at blocking parts of the financial overhaul passed by Congress last July. While legal challenges likely won't happen unless efforts to win changes from regulators or lawmakers fail, Dodd-Frank opponents are emboldened by last week's appeals-court ruling that toppled a Securities and Exchange Commission rule designed to help investors oust corporate directors.” [Click here for more.](#)*

### **Factbox: Five endangered Dodd-Frank rules**

Sarah N. Lynch and Christopher Doering (Reuters)

August 4, 2011

*“The recent defeat of the U.S. Securities and Exchange Commission's proxy access rule in a federal appeals court could embolden industry groups to mount similar legal challenges to other rules required by the Dodd-Frank financial oversight law.” [Click here for more.](#)*

### **NFIB, Blanche Lincoln start targeting regulations**

Bernie Becker (The Hill)

August 3, 2011

*“A key small-business advocate and a former Democratic senator are teaming up to fight regulations coming out of the Obama administration that they say are hampering economic growth. Former Sen. Blanche Lincoln of Arkansas and Dan Danner, the chief executive of the National Federation of Independent Business, signaled Wednesday that taking some of the regulatory load off smaller companies would help in the current battle against high unemployment.” [Click here for more.](#)*

### **Republicans adopt more nuanced fight against Wall St. reform law**

Shirley Gao (iWatch News)

August 1, 2011

*“When Dodd-Frank first became law one year ago, Republicans immediately began calling for complete repeal. Today, their strategy has shifted to a more nuanced attack that aims to delay deadlines for new regulations and gut agency funding needed to carry out the law.” [Click here for more.](#)*

## **From Full Repeal to Piecemeal: Why GOP Changed Tack on Dodd-Frank**

Kevin Wack (American Banker)

August 1, 2011

*“The GOP’s small-bore strategy is a reflection of two political realities. First, the financial reform law polls well with the general public. Second, whatever actions Republicans take at this point are more about shaping the debate than they are about lawmaking, since the Democrats still control the Senate and the White House, and it seems unlikely the law will be changed in any substantial ways before the next election.” [Click here for more.](#)*

## **Pressured by White House, Treasury Secretary Is Expected to Stay at Post**

Jackie Calmes (NYT)

August 3, 2011

*“Timothy F. Geithner, the Treasury secretary and dean of President Obama’s economic team, is expected to stay through the president’s term after intense White House pressure, according to officials familiar with the discussions.” [Click here for more.](#)*

## **Rich Cordray Nomination**

### **Senate delays hearing for consumer agency nominee Richard Cordray**

Jim Puzzanghera (LA Times)

August 3, 2011

*“This week’s scheduled confirmation hearing for Richard Cordray, the nominee to head the Consumer Financial Protection Bureau, has been delayed until September as senators left early for their August recess. The Senate Banking Committee had planned to hold the hearing Thursday in hopes of advancing the nomination to head the controversial new agency. But the hearing for Cordray, a former Ohio attorney general who has been working as head of enforcement for the CFPB, has been rescheduled for Sept. 6, the committee announced. The Senate began its break after Tuesday’s session in which it approved an increase in the nation’s debt ceiling.” [Click here for more.](#)*

### **While on summer recess, Congress blocks recess appointments**

Marian Wang (ProPublica)

August 4, 2011

*“As many have noted, members of Congress left behind some [unfinished business](#) when they headed home for their August recess. But here’s something else you should know: Even though hoards of lawmakers have left D.C., [neither chamber of Congress officially adjourned](#). ... By keeping Congress technically in session, Republicans will be able to keep the president from naming a temporary head to the recently formed Consumer Financial Protection Bureau. The new bureau’s powers are limited without a director, and Republicans have vowed to oppose the confirmation of a new director unless the [agency’s authority is rolled back](#). They’ve [speculated](#) that President Obama might resort to a recess appointment in order to get his new nominee, former Ohio Attorney General Richard Cordray, finally on the job.” [Click here for more.](#)*

### **Rachel Maddow Breaks Down the Danger of Obstruction to a CFPB Head**

Tyler (Unfinishedbusiness.org blog)

[August 3, 2011](#)

*“Check out this great segment from Rachel Maddow, where she explains how obstruction in the Senate to keep anyone from running the new [Consumer Financial Protection Bureau](#) is incredibly dangerous.” [Click here for more.](#)*

### **Richard Cordray faces toughest test yet as nominee to lead consumer agency**

Ylan Q. Mui and Brady Dennis (Washington Post)

July 31, 2011

*“Richard Cordray is no stranger to defeat. A soft-spoken man who pads around in socks and admires the writings of Supreme Court Justice Louis Brandeis, he has run for office in his native Ohio nine times in the past 20 years, losing nearly as many races as he’s won.” [Click here for more.](#)*

## **Home state sheriffs back Cordray for Consumer Bureau**

Peter Schroeder (The Hill)

August 2, 2011

*"A group of roughly 30 Ohio sheriffs has thrown its support behind former Ohio Attorney General Richard Cordray to be the first director of the Consumer Financial Protection Bureau (CFPB). Cordray, tapped by Obama to be the first person to head up the new bureau, is expected to face a rough confirmation battle due to strong Republican opposition. However, in a letter sent to Senate Banking Committee Chairman Tim Johnson (D-S.D.) and ranking member Richard Shelby (R-Ala.), the sheriffs urged lawmakers to quickly confirm him for the spot, saying he would be an effective watchdog for consumers. A copy of the letter was obtained by The Hill." [Click here for more.](#)*

### **Excerpt of letter:**

"As sheriffs, we know the harm caused by scams, fraud and other illegal activity. Law-abiding businesses are put at a competitive disadvantage by those who cheat," they wrote. "Consumers are hurt by purchasing products they don't want, or giving money to charities that don't exist."

## **Editorial - Consumer watchdog**

Toledo Blade

July 21, 2011

*"The choice of former Attorney General Richard Cordray to head the federal Consumer Financial Protection Bureau could add some bite to President Obama's promise to protect consumers against unscrupulous lenders. That is, unless Senate Republicans pull the agency's teeth as the price for confirming the President's nominee. Mr. Cordray's reputation as a consumer advocate is that he's tough, smart, and honest. As Ohio attorney general, he successfully sued financial giants Bank of America and American International Group. He also took on the major securities-rating agencies. He recovered more than \$2 billion for Ohio's retirees, investors, and business owners. [Click here for more.](#)*

## **Richard Cordray's confirmation waits while Senate goes home (don't say they're on 'recess')**

Stephen Koff (The Plain Dealer The Plain Dealer – OH)

August 3, 2011

*"Richard Cordray is in limbo. Not that nominees typically get confirmed this soon, but Cordray's July 18 presidential appointment to head the Consumer Financial Protection Bureau has run into its second buzz saw. The Senate Banking Committee canceled a confirmation hearing that was scheduled for tomorrow."*

[Click here for more.](#)

## **LTE - GOP trying to weaken consumer protection**

Pantagraph LTE (Bloomington, IL)

July 31, 2011

*"The Dodd-Frank 2010 financial reform legislation created the Consumers Financial Protection Bureau to protect consumers against lending abuses. Republicans are trying to destroy it and block appointment of Elizabeth Warren, architect of the CFPB, as the agency's head. Republicans have financial assistance from industries such as payday lenders, the American Bankers Association, Mortgage Bankers Association, etc. The U.S. Chamber of Commerce laid out \$2 million for an ad campaign to defeat the bureau and spent \$17 million on federal lobbying to kill it. Three congressional sponsors of bills to weaken the CFPB received \$1.4 million from the finance, real estate and insurance sector in 2010." [Click here for more.](#)*

[Go Back to Table of Contents](#)

## CFPB and Consumer Issues

### CFPB launches round 3 of [Know Before You Owe](#) project

CFPB

August 1, 2011

*“Today we are launching Round 3 for public input, and we hope you will again share with your members and colleagues. By way of background, we introduced the Know Before You Owe project to give a voice to consumers, housing counselors, advocates, lenders, and others in the design process for our new mortgage disclosure form. We want to assist consumers in understanding mortgage products they’ve applied for, before signing on the dotted line. During the first two rounds, we put our draft disclosure forms online and asked for public input ... and we got it. Since May, we’ve received more than 18,000 comments on different versions of our draft disclosure forms. In Round 1, we asked for input on front-page designs for a single, simplified disclosure form. In Round 2, we looked for input on the second page of our form. Now, in Round 3, we’re asking for your input once again. We just posted the revised forms and we will be collecting public comment **through Monday, August 8th at 7pm EST.**” [Click here for more.](#)*

### Wal-Mart Cashing More Checks Has Banks Demanding U.S. Oversight

Carter Dougherty (Bloomberg Government – subscription required)

August 1, 2011

*“Fresh from their losing battle with retailers over debit-card fees, banks are squaring off with the largest of them -- Wal-Mart Stores, Inc. -- over another provision of the Dodd-Frank regulatory overhaul. Wal-Mart’s expansion into check-cashing and prepaid debit cards qualifies the company as a “larger participant” in financial services, its competitors argue. That designation would allow the Consumer Financial Protection Bureau to inspect Wal-Mart’s records for violations of federal regulations.” [Click here for more.](#)*

### No Day in Court for Bank Clients

Robin Sidel (WSJ – subscription required)

August 2, 2011

*“Some small and regional U.S. banks are prohibiting unhappy customers from taking their complaints to court or joining class-action lawsuits, instead requiring them to resolve disputes through arbitration. The banks are emboldened by a U.S. Supreme Court ruling in April that said state laws can’t supersede private contracts that require customers to present their complaints individually to an arbitrator. The decision attracted attention from financial firms and other companies like cellphone providers that embrace mandatory third-party arbitration for customer gripes, saying it helps them resolve disputes fairly for customers and more cleanly than getting tied up in lengthy and costly court cases.” [Click here for more.](#)*

### Consumer Financial Protection Bureau issues four interim final rules

Daniel Purt (Credit Newslines)

August 1, 2011

*“The newly operational Consumer Financial Protection Bureau issued four interim final rules establishing operational procedures for the bureau. The rules went into effect on July 28 and are available for comments until September 26. The CFPB’s adjudication proceedings interim rule is similar to existing Federal Trade Commission and Securities and Exchange Commission’s practices. It is modeled on uniform rules and procedures for administrative hearings adopted by prudential regulators, according to the National Association of Federal Credit Unions. The bureau is seeking comments on whether the rule should also address matters such as the issuance of temporary cease-and-desist proceedings under the Dodd-Frank Act.” [Click here for more.](#)*

### FTC examines car sales, financing abuses targeting U.S. troops

Michael Hudson (iWatch News)

August 2, 2011

*“A young Navy sailor walks into a car dealership and buys a Camaro. Sounds simple. But is it? Advocates for military consumers say financing a car or truck is often a confusing transaction fraught with the potential for fraud, including hidden fees and bait-and-switch salesmanship.” [Click here for more.](#)*



## CFA - Despite FRB Opt-In Rules, Big Banks Still Charge Steep Fees for Overdrafts

CFA Press Release

August 3, 2011

“One year after the Federal Reserve required banks to get customers’ permission to charge overdraft fees on debit card transactions, fees charged by banks have not dropped for what amounts to short-term loans. While some banks have modified the order in which they process payments from accounts, most banks continue to pay the largest transactions first, which can drive up overdraft revenue at the expense of struggling families. The Consumer Federation of America (CFA) today released its updated survey (see link below) of the fourteen largest banks’ overdraft fees and practices and urged consumers to tell the Comptroller of the Currency to strengthen proposed guidelines for bank overdrafts.” [Click here for more.](#)

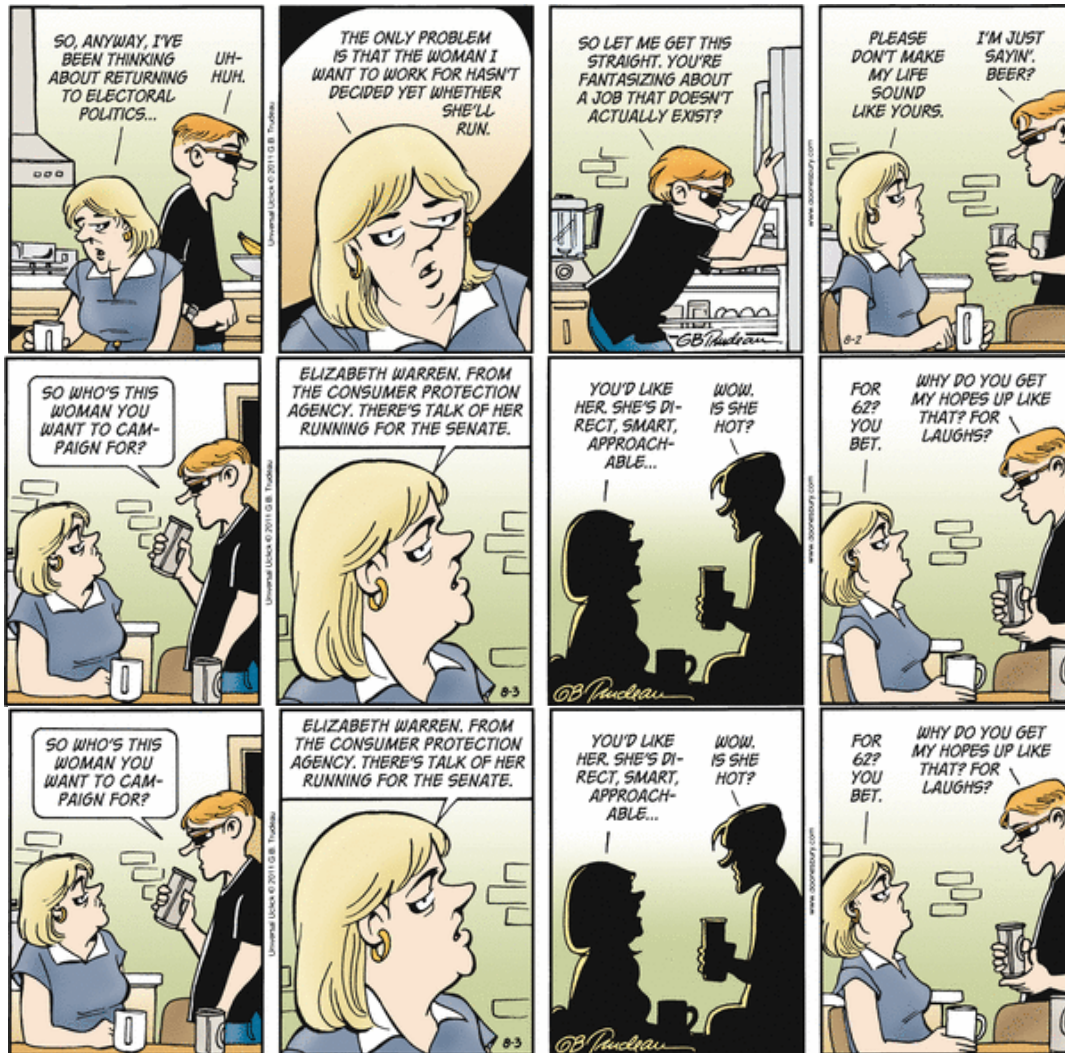
## Telecom vet answers call to join CFPB

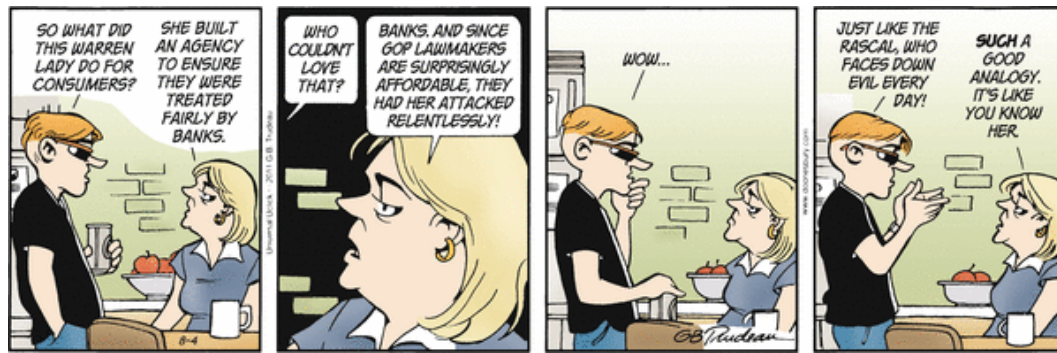
Peter Schroeder (The Hill)

August 4, 2011

“Leonard ‘Len’ Kennedy did not set out to become the chief legal mind for Washington’s brand-new Consumer Financial Protection Bureau (CFPB). Having recently retired from a top legal position in the telecommunications industry, Kennedy would seem an odd fit for a bureau that plans to delve deep into the inner workings of the financial system.” [Click here for more.](#)

## [Doonesbury - Elizabeth Warren](#)





[Go Back to Table of Contents](#)

## Shadow Markets and Systemic Risk

### GOP Lawmaker Wants To Reform, Restructure SEC

Jamila Trindle (NASDAQ)

August 2, 2011

*"The Dodd-Frank law needs to be amended to reform the organization and management of the Securities and Exchange Commission, one Republican lawmaker said Tuesday. 'The SEC is structurally flawed and suffers from operational inefficiencies and organizational incoherence,' House Financial Services Chairman Spencer Bachus (R., Ala.) said Tuesday in a statement announcing that he's working on legislation to restructure the SEC." [Click here for more.](#)*

### CFTC to finalize third set of Dodd-Frank rules

Christopher Doering (Reuters)

August 4, 2011

*"The U.S. futures regulator, is expected to finalize on Thursday new measures outlining requirements for swap data collectors and guidelines for whistle-blowers as it races to meet its obligations required under last year's financial market overhaul law." [Click here for more.](#)*

### Playing "pretend" with credit risk

John Parsons - MIT and Antonio Mello - Wisconsin Betting the Business Blog

August 3, 2011

*"On Thursday last week, members of the US House of Representatives Michael G. Grimm (R-NY), Gary Peters (D-MI), Austin Scott (R-GA), and Bill Owens (D-NY) introduced a bill to add another dangerous loophole to the Dodd-Frank legislation's capital and margin requirements on OTC derivative dealers. It's even more difficult than usual for those not on the inside to grasp what is going on here. The [press release](#) is all about motherhood and apple pie, and [the bill itself](#) is all about amending Section 4s(e) of the CEA as added by section 731 of the Dodd-Frank Act so that paragraphs (2)(A)(ii) and (2)(B)(ii) do not apply when, blah blah blah. The real substantive issue isn't touched on explicitly in either source. But here's the deal as far as I can tell." [Click here for more.](#)*

### Capital One's ING Deal Opposed on 'Too-Big-to-Fail' Grounds

Laura Marcinek (Bloomberg)

August 1, 2011

*"Capital One Financial Corp.'s purchase of ING Direct USA should be stopped as it would create another bank whose collapse may imperil the financial system, according to the National Community Reinvestment Coalition. "We already have four too-big-to-fail banks, why make a fifth?" John Taylor, chief executive officer of the Washington-based advocacy group, said today in a statement. The organization said it asked the Federal Reserve to hold hearings and extend the public comment period on the \$9 billion acquisition, which would make McLean, Virginia-based Capital One." [Click here for more.](#)*



## **AFR Bulletin - More Bank Capital Will Improve Financial Stability Without Harming the Economy**

August 2, 2011

### **Excerpt:**

*“Excessive, uncontrolled borrowing by big banks was a major driver of the 2008 financial crisis. By the time of the crash, the ten largest bank holding companies had over \$40 in borrowed money for each dollar of secure capital. When the value of the banks’ asset collateral dropped and lenders began to demand their money back, the need to unwind these loans drove the financial system and then the wider economy over the brink. As it became clear that banks could not make good on their debt, Congress acted to provide a taxpayer bailout.”*

### **Bachus Presses on Derivatives**

Ben White (Politico’s Morning Money)

August 2, 2011

*“House Financial Services Committee Chair Spencer Bachus wrote to Treasury Secretary Geithner arguing that there is ‘no indication’ that international regulators are following the U.S. lead on derivatives reform, particularly the ‘swap push-out rule.’ Full letter: <http://politi.co/q79JLF>”*

### **Revolving Door at S.E.C. Is Hurdle to Crisis Cleanup**

Andrew Ross Sorkin (NYT/Dealbook)

August 1, 2011

*“A senior lawyer for the Securities and Exchange Commission recently took center stage in a major case involving a controversial mortgage security sold by Goldman Sachs. There was just one slight twist in the legal proceedings. The S.E.C. lawyer was not the prosecutor taking the deposition. He was the witness.”*

[Click here for more.](#)

[Go Back to Table of Contents](#)

## **Commodity Speculation**

### **Oil Climbs as Stimulus Speculation Counters Economy, Gain in U.S. Supplies**

Ben Sharples (Bloomberg)

August 3, 2011

*“Oil rose from a five-week low in New York as speculation that the Federal Reserve may start another stimulus program countered signs of a slowing economy in the world’s biggest crude-consuming nation.”*

[Click here for more.](#)

[Click here](#) to read a summary of the release and press coverage of our report with Robert Pollin and James Heintz, “How Wall Street Speculation is Driving Up Gas Prices Today”

[Click here](#) to read prepared remarks from CFTC Commissioner Bart Chilton to the American Soybean Association Legislative Forum – the speech is entitled "**Caging the Financial Cheetahs**" and was delivered on Tuesday.

### **Excerpt:**

*“...From 2005 to 2008, roughly \$200 billion in new speculative massive passive money came into the commodity markets in the U.S. alone. At the time, consumers were outraged about gas prices and food prices. So, should we be worried that maybe that’s what’s going on today? Is that at least part of the reason gas is historically high in the U.S.? Consumers are certainly outraged again.”*

[Go Back to Table of Contents](#)

## **Foreclosures and Housing**

NCLC and NACA joint [comment letter](#) on the proposed credit retention rule and its exceptions

CRL's [comment letter](#) on proposed rulemaking on credit risk retention requirements

CFA's [comment letter](#) on proposed Rulemaking on credit risk retention requirements

**CRL - Mortgage Market of the Future can Produce Sensible Loans without High Down Payments**

<http://rspnsb.li/njOKhE>

### **Mortgage Servicing Standards Take Center Stage at Senate Banking Committee Hearings**

National Mortgage Professional

August 2, 2011

*"The Senate Committee on Banking, Housing & Urban Affairs held a hearing on Tuesday addressing the mortgage servicing industry titled, 'Housing Finance Reform: National Mortgage Servicing Standards.' The hearing featured an array of industry insiders, including Jack Hopkins, president and CEO of CorTrust Bank, on behalf of the Independent Community Bankers of America (ICBA); Faith Schwartz, executive director of the HOPE NOW Alliance; Robert Couch, counsel with Bradley Arant Boult Cummings LLP; and Prof. Peter Swire, C. William O'Neill Professor of Law at Mortiz College of Law of the Ohio State University. This was the eighth in a series of hearings the Senate Banking Committee has held related to housing finance reform."*

[Click here for more.](#)

[Click here](#) to view the hearing and/or read witness testimony.

### **Bankers Fear 'Witch Hunt' in Government's Pursuit of Fair Lending Cases**

Joe Adler and Kate Berry (American Banker)

August 1, 2011

*"An aggressive push by the Justice Department to investigate fair lending claims is prompting a backlash from bankers who claim the government is abusing its authority and contradicting findings by other federal regulators." [Click here for more.](#)*

### **BofA Proposes Loan-Forgiveness Deal**

Dan Fitzpatrick and Ruth Simon (WSJ – subscription required)

August 4, 2011

*"Bank of America Corp. is having preliminary conversations about a home-foreclosure settlement that would reduce the amounts owed by some of its troubled borrowers in exchange for a broad release from legal claims against the lender, said people familiar with the talks. The largest U.S. bank by assets is discussing the proposal with state and federal officials who are prodding the country's biggest banks toward a multibillion-dollar deal to atone for foreclosure errors. It isn't clear if the talks will result in a final deal, these people said." [Click here for more.](#)*

### **Lawmakers push for year-long forbearance on GSE mortgages**

Jon Prior (Housing Wire)

August 3, 2011

*"A group of 27 lawmakers in the House of Representatives sent a letter to President Obama this week, asking his administration to extend a forbearance period to 12 months for unemployed borrowers with mortgages owned by Fannie Mae and Freddie Mac." [Click here for more.](#)*

### **Rats Spread As Baltimore Fights Foreclosures**

Shahien Nasiripour (Huffington Post)

August 3, 2011

*"Richard Faison didn't mind that a neighbor's home was seized and boarded up until the rats from the vacant house killed one of his dogs. 'That's when it hit me,' said Faison, a Baltimore retiree. 'That home is hurting mine.' Baltimore's continuing foreclosure epidemic is a particularly poignant example of the continuing*

national foreclosure crisis. The city has affixed some of the blame on one major lender, Wells Fargo. In a case that has captured headlines, the city sued Wells in 2008, arguing that it targeted African-American communities with subprime loans the bank knew would not be repaid. The lender denies the accusations and points to socioeconomic issues as a driver of the city's problems, bank spokeswoman Vickee J. Adams said in a statement." [Click here for more.](#)

[Go Back to Table of Contents](#)

## **Executive Compensation**

### **Executives have their 'say on pay'**

James Covert (New York Post)

July 31, 2011

*"Corporate bigwigs are learning quickly how to brush off challenges to their lavish pay packages. Following the Wall Street crisis, new securities rules were enacted last year as part of the Dodd-Frank Act that give investors more of a "say on pay" for top executives. [Click here for more.](#)*

### **What about those say-on-pay 'no' votes**

Around 40 companies had compensation plans rejected.

Adam Piore (Corporate Secretary)

July 29, 2011

*"The results are in. Given the opportunity to register their opinion for the first time, a majority of shareholders in at least 39 companies rejected executive compensation plans. Another 35 companies squeaked by with between 50 percent and 60 percent support, which according to David Eaton, director of global compensation analysis at Glass Lewis, is 'pretty close to failing'." [Click here for more.](#)*

### **Insight: CEOs warned: mind the pay gap**

Ben Hirschler and Scott Barber (Reuters)

August 4, 2011

*"A stuttering economy and anemic profit growth means company bosses' pay is unlikely to rise as fast this year as in 2010, but complaints from politicians and disgruntled shareholders over executive rewards are not going away." [Click here for more.](#)*

[Go Back to Table of Contents](#)

## **Interchange**

### **Heartland Ready to Deliver 'Durbin Dollars' to Merchants**

Andrew Johnson (American Banker)

July 28, 2011

*"The Princeton, N.J., card payments processor on Thursday reiterated its [plan to pass along reductions in debit card interchange fees](#) mandated by the Durbin amendment to the Dodd-Frank Act. The company calls this its Durbin Dollars initiative." [Click here for more.](#)*

[Go Back to Table of Contents](#)

## **Student Lending**

### **For-Profit Colleges Draw Minorities, Stir Murky Debate On Student Success College Graduates**

Chris Kirkham (Huffington Post)

August 3, 2011

*"At a June Senate hearing on high student debt levels at for-profit colleges, civil rights advocate Wade Henderson pointedly criticized what he called the "cruel," "unjust" and "immoral" attempts by some for-profit colleges to actively recruit low-income minority students with assurances of bettering their lives through college education." [Click here for more.](#)*

[Go Back to Table of Contents](#)

## **FTT**

### **EU members agree Brussels draft as basis for budget talks**

Jonathan Fowler (AFP)

July 29, 2011

*"EU nations agreed Friday to use controversial plans from Brussels as the basis for talks on the bloc's next budget, though austerity-focused governments have blasted proposed hikes.... The plan foresees an EU sales tax and a financial transactions tax -- backed by France but opposed by Britain -- to help Brussels raise its own funds and reduce the EU's direct dependence on member states for its budget." [Click here for more.](#)*

## **OTHER**

### **HSBC to Cut 30,000 Jobs by 2013 as Costs Rise**

Howard Mustoe and Gavin Finch (Bloomberg)

August 1, 2011

*"Ralph Silva, an analyst at Silva Research Network, talks about HSBC Holdings Plc's second-quarter results reported today and the outlook for the British banking industry. He speaks with Francine Lacqua on Bloomberg Television's 'The Pulse.'" [Click here for more.](#)*

### **Brazil Unveils New Measures To Contain Real's Strength**

Dow Jones

July 27, 2011

*"Brazil unveiled new measures Wednesday to contain the real currency's strength after the currency this week surged to a fresh 12-year high against the U.S. dollar. The latest measures aimed to stem the heavy inflows of foreign investment cash for the first time targeted derivatives trading, including possible deposits and limits on positions that could help ease pressure in the country's foreign-exchange market. The measures were published in the Federal Register." [Click here for more.](#)*

### **AAA Rating Is a Rarity in Business**

Eric Dash (New York Times)

August 2, 2011

*"Hanging over the debt ceiling negotiations in Washington has been the threat that the United States could lose its AAA credit rating, a coveted measure of the federal government's financial strength. But in corporate America, the top rating long ago became an anachronism." [Click here for more.](#)*

### **Colbert Scoffs At 'Moody' And 'Elitist' Credit Rating Agencies**

David Taintor (Talkingpointsmemo.com)

August 3, 2011

*"Americans are breathing a sigh of relief, Stephen Colbert says, now that the debt ceiling deal is done. 'It may have been a painful, drawn out process, but at least the economy is saved,' Colbert said Tuesday night. But wait! Despite the debt deal, the Dow Jones Industrial Average on Tuesday closed down more than 200*

points. And while Moody's and Fitch have maintained the United States' AAA credit rating, threats of future downgrade [remain.](#)" [Click here for more.](#)

### **Banks scale back as regulations weigh**

Barbara Schechter (Financial Post)

August 2, 2011

*"Three years after the financial crisis, global banks are in full retrenchment mode, scaling down operations and slashing thousands of jobs as they adjust to a more regulated world and skittish investors."* [Click here for more.](#)

### **PRWatch.org – Money Still Owed in Federal Bailout: \$1.5 trillion Still Owed to Treasury, Federal Reserve**

PR Watch.org Press Release

August 3, 2011

*"A new study released today by the Center for Media and Democracy (CMD) shows that, despite rosy statements about the bailout's impending successful conclusion from federal government officials, \$1.5 trillion of the \$4.8 trillion in federal bailout funds are still outstanding. The analysis, presented in charts and an online table and program profiles, is based entirely on government records. This comprehensive assessment of the bailout goes beyond the relatively small Troubled Asset Relief Program (TARP) program to look at the rest of the Treasury and Federal Reserve's multi-trillion dollar response to the financial crisis. It shows that while the TARP bailout of Wall Street (not including the bailout of the auto industry) amounted to \$330 billion, the government also quietly spent \$4.4 trillion more in efforts to stave off the collapse of the financial and mortgage lending sectors. The majority of these funds (\$3.9 trillion) came from the Federal Reserve, which undertook the actions citing an obscure section of its charter."* [Click here for more.](#)

[Go Back to Table of Contents](#)

## **Upcoming Events**

**House is in recess until September 6, 2011 and Senate adjourned until September 6, 2011**

**Compiled by our friend at NFHA:**

**DATE CORRECTION: August 26-27 – John Marshall Law School National Conference (Chicago, IL).**

### **SEC**

No public hearings as of 8/3/11

### **CFTC**

No public hearings as of 8/3/11

## **Senate**

### **Senate Banking, Housing, and Urban Affairs Committee**

FULL COMMITTEE HEARING: Nomination Hearing

WITNESS: The Honorable Richard Cordray to be Director, Bureau of Consumer Financial Protection

**DATE: Postponed until September 6, 2011**

**TIME: 2:30 P.M.**

LOCATION: Room SD-538, Dirksen Senate Office Building



Testimony and archived videos will be posted at:

<http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Home>