



Americans for Financial Reform  
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## **SUPPORT VITTER-BROWN-CORKER AMENDMENT 689:**

### **STOP PUBLIC SUBSIDY TO OUR LARGEST WALL STREET BANKS**

On behalf of Americans for Financial Reform, we urge you to support Vitter-Brown-Corker Amendment 689.<sup>1</sup> This bipartisan amendment calls for addressing the implicit taxpayer subsidy to our largest ‘too big to fail’ Wall Street banks.

- After the financial crisis, it can no longer be denied that there is a moral hazard created by the perception that our largest banks have a special relationship to the government.
- Wall Street received trillions of dollars of direct capital infusions, loan guarantees, liquidity support, and other forms of public support during the crisis. Recent studies have estimated the funding subsidy to too-big-to-fail banks at \$80 billion to \$100 billion.
- The Dodd-Frank Act took important steps to end the public support to Wall Street, including a new resolution authority requiring the liquidation of failing banks, and new controls on banking and derivatives risks.
- But the jury is still out regarding whether the Dodd-Frank tools alone are enough to end the too-big-to-fail subsidy for the big banks. Federal Reserve Chair Ben Bernanke has stated in recent testimony that the too-big-to-fail subsidy is still a reality.
- Recent statements by Attorney General Holder regarding the reluctance of the Justice Department to enforce the law against the largest banks because of their economic importance underline the continuing problem of too-big-to-fail.
- The Vitter-Brown-Corker Amendment calls for further steps to end the too-big-to-fail subsidy for the six largest banks in the United States – those with \$500 billion or more in assets.
- These steps will protect taxpayers, help the economy by addressing the distortions created by the public subsidy to Wall Street activities, and help smaller community banks by letting them compete on a more even playing field.
- We urge you to support Vitter-Brown-Corker Amendment 689.

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<sup>1</sup> [Americans for Financial Reform \(www.ourfinancialsecurity.org\)](http://www.ourfinancialsecurity.org) is an unprecedented coalition of more than 250 national, state and local groups who have come together to reform the financial industry. Members of our coalition include consumer, civil rights, investor, retiree, community, labor, faith based and business groups.