

---

## AMERICANS FOR FINANCIAL REFORM

---

### THIS WEEK IN WALL STREET REFORM SEPT. 27 – OCT. 3, 2014

We encourage you to forward this weekly compilation to friends and colleagues.  
To subscribe, email [erin@ourfinancialsecurity.org](mailto:erin@ourfinancialsecurity.org), with "This Week" in the subject line.

#### CONSUMER FINANCE & CFPB

##### [Consumer Agency Penalizes Flagstar Bank Over Mortgage Servicing](#)

**Jessica Silver-Greenberg, NY Times, 9/29/14**

In its first enforcement action under mortgage-servicing rules that went into effect at the start of this year, the agency reached a \$37.5 million settlement with Flagstar Bank, based in Troy, Mich., over accusations that it prevented thousands of homeowners from averting foreclosure.

In its action against the bank, the agency outlined how Flagstar strung along borrowers for months only to wrongfully deny them loan modifications. Further thwarting the efforts of homeowners, Flagstar also failed to tell borrowers that their applications for loan modifications were missing critical documents, the agency said.

##### [A Regulator Finally Gets It Right: CFPB Hits a Bad Bank Where It Hurts](#)

**David Dayen, Fiscal Times, 10/3/14**

On Monday, CFPB cited Michigan-based Flagstar Bank with violating the new rules. And it violated them in earnest. In 2011, years after the start of the foreclosure crisis, Flagstar had 13,000 active loan modification applications, but only 25 full-time workers and an application review center in India. The backlog became unbearable, taking up to nine months to assess an application. And Flagstar would deal with applications that contained outdated information by simply throwing them out...

CFPB ordered Flagstar to not purchase any more default loan servicing until it figures out how to do it properly. This "benching remedy," as Georgetown law professor Adam Levitin calls it, can change the calculations for financial institutions over whether to commit a fraud, where the potential penalty is usually less than the profit they can make. In this case, Levitin writes, "compliance can be costly, and being taken out of the market can really squeeze the firm's market position and potentially even its cashflow."

##### [Flagstar Servicing Enforcement Order](#)

**Adam Levitin, Credit Slips, 9/30/14**

This order is really important. It's the first enforcement action of the CFPB's new servicing rules, and its "benching" remedy that prevents Flagstar from most default servicing until it demonstrates compliance shows that the Bureau is serious about cleaning out the Augean stables of servicing.

##### [Michigan Bank Must Pay \\$37.5M For Failure To Provide Consumers With Relief From Foreclosure](#)

**Ashlee Kieler, The Consumerist, 9/29/14**

## **Banks Could Be Next Target in Debt Collection Litigation**

**Andy Peters, American Banker, 10/1/14**

In its lawsuit filed in federal court in Georgia on July 14, the CFPB accused Frederick J. Hanna & Associates of relying on erroneous information to pursue debt claims. Hanna & Associates "operates less like a law firm than a factory. It relies on an automated system and non-attorney support staff to determine which consumers to sue," the CFPB said.

While the CFPB only sued the debt-collections firm, it may soon proceed to filing suits against banks, said Peter Holland, an adjunct law professor at the University of Maryland. "Should banks be concerned? Absolutely," said Holland, who also represents consumers in litigation with debt collectors. "Banks are the headwaters. They're the ones that sent the accounts to Hanna where the affidavits are not correct, where the paperwork is not there."

## **Fraud and Abuse Online**

**Pew Charitable Trusts, 10/2/14**

This report, the fourth in Pew's [Payday Lending in America](#) series, examines Internet-based payday loans and finds that lender practices often have serious detrimental effects on consumers. Online payday loans are more expensive than those offered through stores and are designed to promote renewals and long-term indebtedness, and they frequently result in unauthorized withdrawals, disclosure of personal information, threats against borrowers, and consumer complaints. This report reiterates Pew's recommendations that the Consumer Financial Protection Bureau adopt strong, clear regulatory guidelines that will make the entire small-dollar loan market, including online payday loans, safer and more transparent.

## **Lawsky May Regulate Internet Loans for Now, Court Rules**

**Patricia Hurtado, Bloomberg, 10/1/14**

## **Loan Fraud Inquiry Said to Focus on Used-Car Dealers**

**Jessica Silver-Greenberg & Michael Corkery, NY Times, 10/1/14**

Lenders in the housing boom created so-called liar loans, which enabled borrowers, even those with no income or assets, to inflate their income. Government authorities are now taking aim at a new generation of liar loans. Only this time it is subprime [auto loans](#).

Federal and state authorities, a group that includes prosecutors in New York, Alabama and Texas, are zeroing in on the most powerful, and arguably the least regulated, rung of the subprime auto loan chain, used-car dealerships, according to people briefed on the investigations. Already, they have found hundreds of fraudulent loans that together total millions of dollars.

## **Tougher Shield for Soldiers Against Predatory Lenders**

**Jessica Silver-Greenberg, NY Times, 9/27/14**

The Obama administration is proposing sweeping changes to a seven-year-old federal law that was intended to shield service members and their families from high-cost loans tied to their paychecks, a move that reflects the Defense Department's growing recognition that lenders have exploited loopholes in the law.

Those loopholes in the Military Lending Act have left hundreds of thousands of service members across the country vulnerable to potentially predatory loans, including high-cost credit from retailers to buy electronics, payday-style loans and loans tied to car titles.

## **[Department of Defense Expands Ban on Forced Arbitration for Servicemembers](#)**

**Ellen Taverna, Fair Arbitration Now, 9/26/14**

One very important consumer protection of the MLA includes a ban on forced arbitration clauses. Forced arbitration clauses are buried in the fine print of financial contracts and require servicemembers to resolve disputes with companies in a private system, outside of court. [Arbitrators are not required to follow the law](#), and there is no public review to make sure the arbitrator got it right. In [its 2006 report, the DoD states that](#) "Servicemembers should retain full legal recourse against unscrupulous lenders. Loan contracts to Service members should not include mandatory arbitration clauses or onerous notice provisions, and should not require the Service member to waive his or her right of recourse, such as the right to participate in a plaintiff class."

Unfortunately, the MLA only covers a narrow subset of payday loans, auto title loans and refund anticipation loans and unscrupulous business often finds ways around the law. We applaud the DoD's new proposed rule to expand the current military financial protections and the ban on forced arbitration to a wide range of high-cost loans made to active-duty servicemembers and their dependents.

## **[Saving Soldiers from Predatory Lenders](#)**

**Delaware News-Journal, 9/28/14**

See statements by [AFR](#) and [member organizations](#).

## **[Meet the Prison Bankers Who Profit from the Inmates](#)**

**Daniel Wagner, Time & Center for Public Integrity, 9/30/14**

JPay streamlines the flow of cash into prisons, making it easier for corrections agencies to take a cut. Prisons do so directly, by deducting fees and charges before the money hits an inmate's account. They also allow phone and commissary vendors to charge marked-up prices, then collect a share of the profits generated by these contractors.

Taken together, the costs imposed by JPay, phone companies, prison store operators and corrections agencies make it far more difficult for poor families to escape poverty so long as they have a loved one in the system.

## **DERIVATIVES, COMMODITIES & THE CFTC**

### **[Banks to Adopt Crisis-Clause Derivatives by Next Month](#)**

**Ben Moshinsky, Bloomberg, 9/29/14**

About 14 global banks will adopt new derivatives contracts by the end of October aimed at halting cascades of defaults in the financial system during a crisis, the [Financial Stability Board](#) said.

The International Swaps and Derivatives Association Inc., an industry group, is preparing amendments to its standard framework of documents that would allow regulators from any jurisdiction to temporarily halt claims on defaulting banks, the FSB said in a [statement](#) on its website. It didn't identify the banks that had signed up for the new contracts.

“Effective stays on termination rights that arise only by reason of or in connection with a firm’s entry into resolution are important to prevent the close out of financial contracts in significant volumes,” the FSB said.

## **ENFORCEMENT**

### **[High-Speed Trader Accused of Commodity Market ‘Spoofing’](#)**

**Andrew Harris & Matthew Leising, Bloomberg, 10/2/14**

A high-frequency trader was indicted for “spoofing” -- placing and immediate canceling orders as a way to manipulate commodities markets -- in what the U.S. Justice Department says is the first criminal case of its kind.

Michael Coscia, 52, of Rumson, New Jersey, the principal of Panther Energy Trading LLC, was indicted by a federal grand jury in Chicago and charged with six counts of commodities fraud and six of spoofing. He’s accused of illegally reaping almost \$1.6 million as a result of orders placed through CME and European futures markets in 2011.

### **[Dodd-Frank Yields First Criminal Charges](#)**

**NY Business Journal, 10/3/14**

### **[Eric Holder's Mixed Legacy on White-Collar Crime](#)**

**Peter Henning, NY Times, 9/29/2014**

Since [2013] Mr. Holder has gone out of his way to emphasize that no corporation is “too big to jail,” including issuing a [short video](#) in May to make the point that the size of a company would not deter prosecutors from pursuing charges.

Yet in cases in which the Justice Department proclaimed a tougher stance by demanding a guilty plea from a company, the department worked to limit the collateral consequences from the conviction. For BNP, prosecutors received assurances from state regulators that the guilty plea would not put the bank’s license to conduct business in jeopardy, which could have crippled its global operations. In earlier cases involving manipulation of the London interbank offered rate, or Libor, the Justice Department allowed Royal Bank of Scotland and UBS to have Japanese subsidiaries plead guilty, shielding the parent company from any fallout...

The Justice Department passed on pursuing charges against officials at the American International Group, Lehman Brothers and Countrywide Financial, which were at the heart of the financial crisis.

### **[Bank Critics Urge Obama to Get Tough With DOJ Pick](#)**

**Peter Schroeder, The Hill, 9/30/14**

### **[As SEC Enforcement Cases Rise, Big Actions Are Sparse](#)**

**Jean Eaglesham, Wall Street Journal, 9/29/14**

Mary Jo White will end her first full fiscal year running the Securities and Exchange Commission able to claim an increase in its annual tally of cases, the first year-over-year rise since 2011, according to people close to the agency.

It is an important benchmark for the SEC chairman, a former federal prosecutor who promised "aggressive and creative" enforcement soon after taking office last year. But some SEC

watchers said the heightened activity masks a scarcity of the blockbuster actions that should be a feature of an effective Wall Street cop.

## **EXECUTIVE COMPENSATION**

### **[Finding Out How Much the Boss Earns](#)**

**Jena McGregor, Washington Post, 9/29/14**

The Dodd-Frank Act, passed in 2010, included a requirement that companies begin disclosing the ratio between their CEO's compensation and that of their median employee. Then last September, the U.S. Securities and Exchange Commission (SEC) finally proposed a rule that offered companies flexibility in how to determine that ratio and outlined where it would need to appear. They also began taking public comments on the proposal.

On Sept. 19, a year after the initial rule was proposed, the nonprofit organizations **Americans for Financial Reform** and Public Citizen issued a statement urging the SEC to finalize it. The SEC has not announced a timetable on the rule but SEC Chair Mary Jo White has testified that completing the rulemaking required by the Dodd-Frank Act is one of her priorities, and said that it is her "hope and expectation" to complete it by the end of the year.

### **[Issuers Should Adopt Pay Policies, Not Wait for SEC to Act, Official Says](#)**

**Yin Wilzcek, Bloomberg BNA, 10/2/14**

Issuers "shouldn't let the pendency of a rule proposal from us dissuade them from doing what they think is the right thing," said Keith Higgins, director of the SEC Division of Corporation Finance. "If they try to model" their policies after what they think the SEC ultimately may require, "that's fine, but I don't think that should drive the discussion."

Under Sections 953 to 955 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC must develop rules on clawing back "erroneously awarded" pay. The commission further must require companies to disclose how their executive pay packages relate to corporate performance, and disclose whether they allow employees and directors to hedge their stock holdings.

### **[Deutsche Bank Is Withholding Several Million Euros in Bonuses](#)**

**Daniel Shafer, Financial Times, 9/30/14**

### **[Risk Taking by Banks: The Role of Governance and Executive Pay](#)**

**Global Financial Stability Report, IMF, Oct. 2014**

## **FEDERAL RESERVE**

### **[Five Things the Goldman Tapes Teach Us About Financial Regulation](#)**

**Nolan McCarty, Washington Post, 9/30/14**

No. 1: The Fed is "captured," but capture may not mean what you think it means. Although the term was developed by political scientists way back in the 1950s and appropriated by Chicago School economists in the 1970s, it has recently penetrated the public debate as a catch-all explanation for the bureaucratic and regulatory failures that precipitated the financial crisis (and other disasters such as the BP oil spill in the Gulf of Mexico). But in the public discourse, the phrase seems to connote not much more than the idea that the industry (Wall Street in this case) has too much influence over its regulators.

It would be hard to come away from listening to the Segarra's tapes and not conclude that this broad definition of capture applied to the bank supervisors at the New York Fed. Segarra's bosses were clearly too deferential to Goldman. But we do not see evidence of "capture" as it often appears in the popular imagination. The regulators were not plotting on how to help Goldman make money. Rather fear and intimidation seemed to drive their behavior. The most telling moment in the broadcast was the scene where Segarra's bosses patted themselves on the back for sending a shot across Goldman's bow just after the listeners had actually heard them roll over like lap dogs during a key meeting with Goldman on a questionable deal.

### **[Financial Firms Don't Need an Inside Job to Get Favorable Fed Treatment](#)**

**Kindred Winecoff, Washington Post, 9/30/14**

In a new [article](#) in *International Studies Quarterly*, I examine the problematic relationship between central banks and financial firms in a number of countries. The article shows that even if the Fed is *not* captured and firms like Goldman Sachs are fully in compliance with their statutory obligations, the relationship between the Fed and the financial sector is such that systemic stability may be jeopardized. That is because banks may interpret the Fed's mandate to maintain financial stability as a signal that the Fed will pursue bank-friendly monetary policies. If they believe the Fed will support them, then banks may behave more riskily than they otherwise would, which can actually make the financial system less stable.

### **[Goldman Tapes Expose Fed Weakness](#)**

**Darrell Delamaide, USA Today, 9/30/14**

### **[Secret Goldman Sachs Tapes Reveal the Fed Burying Wall Street's Bodies...Again](#)**

**Alexis Goldstein, Medium, 9/29/14**

### **[Warren Blasts 'Cozy' Relationship Between Banks, Regulators](#)**

**Kevin Cirilli, The Hill, 10/1/14**

"You know, the cultural problem isn't just some secondary concern. It's the whole ballgame," Warren said. "We can keep making the rules tougher and tougher, but it won't make an ounce of difference if the regulators won't enforce the rules that are there. If the regulators back down or back off whenever the banks tell them to, then it's the banks — and not the regulators — who are running the show."

"You know, the game out there is rigged, and people across this country really get it," she added. "And the Goldman Sachs tapes just show it one more time. Little banks have to follow the rules, regular families have to follow the rules, but big financial institutions? Somehow they can manage just to push their regulators aside and go forward."

### **[Sen. Warren's Full NPR Interview on the Segarra Tapes and Financial Regulation](#)**

**Steve Inskip, NPR, 10/1/2014**

## **HOUSING AND MORTGAGES**

### **[Communities Lose When HUD Sells Loans to Wall Street](#)**

**Rachel Laforest and Kevin Whelan, The Hill, 10/2/14**

Almost all loans sold through the DASP program went to for-profit firms and only a tiny handful (around 3 percent) of families whose loans were sold ended up with deals that kept them in their homes.

For homeowners like the Cheesemans, that failure has real-life consequences. When HUD, through DASP, sold their mortgage to another servicer, the Cheesemans lost their protections under the FHA program mandating an effort to modify the mortgage. Their new servicer, BSI Financial, was under no requirement to consider a mortgage modification. BSI doesn't even participate in HAMP, a post-bailout program for major banks that facilitates loan modifications to keep families in their homes. The result? The Cheesemans and thousands of other homeowners throughout the country are at serious risk of losing their home.

See [Vulture Capital Hits Home: How HUD is Helping Wall Street and Hurting Our Communities](#)

**Connie M. Razza, Right to the City Alliance & Center for Popular Democracy, Sept. 2014**

### [Watchdog Faults Fed Over 'Robo-Signing' Deal](#)

**Kate Davidson, PoliticoPro (paywalled), 10/2/14**

The Federal Reserve did not do enough advance planning for a \$10 billion foreclosure settlement regulators struck with banks last year, and therefore failed to anticipate problems with payments to struggling borrowers, define measures of success or consider alternatives, a government watchdog said in a [new report](#).

### [Here's How Much JPMorgan Has Done to Help Struggling Homeowners](#)

**Danielle Douglas-Gabriel, Washington Post, 10/1/14**

JPMorgan Chase has dispensed nearly a quarter of the \$4 billion in aid to struggling homeowners that the Justice Department ordered in the bank's \$13 billion settlement over the sale of faulty mortgage securities.

On Wednesday, the court-appointed monitor of the settlement, Joseph Smith, said JPMorgan helped 46,404 homeowners with some \$7.6 billion in aid, but only \$868 million of that amount will count toward its obligation because of the way relief is credited. The country's biggest bank, for instance, receives one dollar of credit for each dollar forgiven on certain mortgages it holds for investment, but gets only 50 cents of credit for each dollar of principal forgiven on home loans held by others.

### [Fannie-Freddie's Watt Making Few Changes and Irking Allies](#)

**Clea Benson, Bloomberg, 10/1/14**

Watt's circumspect style and scant policy changes in his first nine months as director of the Federal Housing Finance Agency have drawn criticism from some of the same housing advocates who pushed President Barack Obama to appoint him. The National Low Income Housing Coalition and other groups said they expected Watt, the most powerful housing official in America, to move quickly to help troubled borrowers and lower-income families shut out of the two-year housing recovery. Instead, he is maneuvering cautiously, asking for public feedback on many issues -- and earning accolades from the mortgage industry.

### [U.S. Housing Officials Draw Protest in Detroit](#)

**Christine MacDonald, Detroit News, 10/2/14**

Federal officials promoting a refinancing program for underwater homeowners got an earful Thursday from critics who say it doesn't go far enough.

About 150 protesters gathered outside the Detroit Public Library's Main Branch before a program led by Mel Watt, the director of the Federal Housing Finance Agency. He was in town to promote the Home Affordable Refinance Program, or HARP. Invitees included community groups that federal officials hope will spread the word about the program.

## [Principal-Reduction Calls Confront FHFA's Watt as He Touts HARP](#)

Clea Benson, Bloomberg, 10/3/14

## [Court Throws Out Lawsuits Related to Fannie Mae, Freddie Mac Profits](#)

Joe Light, Wall St. Journal, 10/1/14

## [CFPB Finds Majority of Manufactured-Housing Borrowers Have Expensive Loans](#)

Press Release, Consumer Financial Protection Bureau, 9/30/14

## [You Know It's a Tough Market When Bernanke Can't Refinance](#)

Elizabeth Campbell and Lorraine Woellert, Bloomberg, 10/3/14

The former Federal Reserve chairman, speaking at a conference in Chicago yesterday, told moderator [Mark Zandi](#) of Moody's Analytics Inc. -- "just between the two of us" -- that "I recently tried to refinance my mortgage and I was unsuccessful in doing so."

## [Why Ben Bernanke Can't Refinance His Mortgage](#)

Neil Irwin, NY Times, 10/3/14

## **INVESTOR RIGHTS AND THE SEC**

### [SEC Investigation Sheds Light on BofA's \\$4 Billion Mistake](#)

Christina Rexrode & [Michael Rapoport](#)

When Bank of America bought Merrill, it also acquired a portfolio of more than \$52 billion of Merrill structured notes, the SEC said Monday. A transition team created a schedule to track cumulative gains and losses on such liabilities, the SEC said, but the schedule didn't account for the fact that the notes would mature or be redeemed over time. That caused the bank to erroneously strip out certain "realized" losses when calculating capital levels.

As the SEC explained, the misstatements grew each year as the notes matured and the realized losses were recorded. The overstatement grew from \$888 million at the end of 2009 to more than \$3.7 billion by the end of 2013, according to the SEC.

### [U.S. SEC's Piwowar Proposes Alternative To Broker Fiduciary Rules](#)

Sarah N. Lynch, Reuters, 9/30/14

### [SEC Says Bofa Will Pay \\$7.65M to End Inquiry Into Errors in Valuation of Merrill Securities](#)

Associated Press, 9/29/14

### [Why Bank of America CEO Brian Moynihan's Promotion Spells Bad News](#)

Stephen Gandel, Fortune, 10/2/14

### [Roll 'em or Hold 'Em -- When Is It Right to Move 401\(K\) Balances?](#)

Sarah O'Brien, CNBC, 9/29/14

## STUDENT LOANS

### [What to Do About Student Loan Defaults](#)

**Editorial, New York Times, 10/3/14**

As in the past, for-profit schools have had the worst showing. They account for only 12 percent of students nationally, but for nearly half of all loan defaults and 20 of the 21 institutions with default rates so high they could lose eligibility for federal aid. Some for-profit schools also manipulate default data to look better on paper, according to the Institute for College Access and Success, a research and advocacy group. Some pool default information across campuses to hide the worst cases. And some push financially strapped students into ruinous repayment plans in which interest continue

The federal government needs to crack down on these practices. It must also continue to get out the news about affordable repayment plans that set payments according to borrowers' income, allowing them to eat and pay the rent without falling into default.

### [Regulators of Prey](#)

**Editorial, Wall St. Journal, 9/26/14**

### [Don't Do an Online, For-Profit Program If You Want to Get a Job After](#)

**Danielle Kurtzleiben, Vox, 9/29/14**

### [Activists Target the Nastiest Type of Student Debt](#)

**Amanda Alix, Motley Fool, 9/28/14**

### [Remarks of Deputy Secretary Raskin at the Annual Meeting of the National Association for Business Economics](#)

**Press Release, U.S. Dept. of Treasury, 9/29/14**

We cannot understand the macroeconomic impact of student loans without incorporating the full economic and societal benefits of a more educated workforce. That is, what would the macroeconomic effect be if borrowers had no debt, but also lacked the higher education that comes with it? Student loan debt is not inherently bad, until it becomes too costly to propel people to a place they could not reach without it; until the investment cannot pay off at both the individual and societal level: until it leads to an education system that is accessible to the wealthy. When public taxpayer costs associated with the growing student loan portfolio are quantified, there should also be recognition of the benefits taxpayers receive from the investment in our nation's human capital.

## SYSTEMIC RISK

### [SEC Grants Citigroup Waivers, Easing Hedge-Fund Curbs](#)

**Andrew Ackerman, Wall St. Journal, 9/30/14**

Citigroup Inc. is no longer a "bad actor" in the eyes of U.S. securities regulators. The Securities and Exchange Commission quietly granted the bank waivers on restrictions that crimped a range of its activities... The relief allows Citigroup to resume selling investments in hedge funds and private-equity funds to wealthy clients. The bank also retains its special status as a "well-known seasoned issuer," or WKSJ, which allows large companies to quickly issue stocks or bonds without the speed bump of an SEC review of their offerings.

Kara Stein, a Democratic commissioner, dissented on granting Citigroup the expedited filing status, arguing that large financial institutions have been treated too leniently, said a person familiar with the matter.

**[Fed Seeks More Data From Insurance Companies on Postcrisis Rules](#)**

**Victoria McGrane, Wall Street Journal, 9/30/14**

## OTHER TOPICS

### [AFR and More Than 50 Domestic and International Groups Warn that TTIP Could Undermine Financial Reform](#)

**Press Release, Americans for Financial Reform, 10/1/14**

In a [letter to U.S. and EU trade negotiators](#) and finance ministers, more than 50 civil society groups on both sides of the Atlantic have come together to warn that the Transatlantic Trade and Investment Partnership (TTIP) currently under discussion could undermine new financial regulations and potentially create significant risks to the global financial system, as well as to investors and consumers.

### [Why Wall Street Is Betting on Republicans to Take the Senate](#)

**Danielle Douglas-Gabriel, Washington Post, 10/1/14**

[T]his time Wall Street has handed Republicans nearly two-thirds of the \$115 million it has contributed to 2014 campaigns, according to the Center for Responsive Politics. At stake is the chairmanship of the Senate banking committee, a critical gateway for legislation that governs Wall Street. The top seat is up for grabs next year, once the chairman, Sen. Tim Johnson (D-S.D.), retires in December.

Although ranking member Sen. Mike Crapo (R-Idaho) has expressed interest in taking over if the Republicans win the chamber, Sen. Richard C. Shelby (R-Ala.) has emerged as the frontrunner... There is palpable concern on Wall Street that Sen. Sherrod Brown (D-Ohio), known for his tough stance on big banks, could take the helm of the committee if his party retains [control of the chamber](#)...

"Sherrod Brown is somebody who's focused on how the financial sector can serve the needs of all Americans and not just Wall Street insiders. And that's a very valuable thing," said Marcus Stanley, policy director of **Americans for Financial Reform**.

### [Obama Attacks 'Casino-Style Mentality' on Wall Street](#)

**Tim Devaney, The Hill, 10/2/14**

President Obama defended Dodd-Frank financial regulations that "discourage a casino-style mentality on Wall Street," in a speech to students at Northwestern University on Thursday.

Several years removed from the financial crisis, Obama said the financial reforms put in place since 2010 will protect taxpayers and prevent "Wall Street from hammering Main Street ever again."

"We made it illegal for big banks to gamble with your money," Obama said.

### [Finally, the Truth About the A.I.G. Bailout](#)

**Noam Scheiber, NY Times, 9/28/2014**

Among [plaintiff Star International's] key claims is that a chunk of the roughly \$180 billion the government eventually poured into A.I.G. was unnecessary, at least if the point was to save the insurance giant. In practice, tens of billions went out the door to other financial institutions, like Goldman Sachs and Deutsche Bank, whose risky mortgage securities A.I.G. had foolishly insured in the run-up to the crisis.

Starr contends that the government could have spent less money on A.I.G. — and therefore imposed less onerous terms on the company — had the bailout's architects directed some of

their tough love at the Goldmans and Deutsche Banks of the world.

### [Biting the Hand that Feeds You](#)

**Nancy Marshall-Genzer, Marketplace, 9/29/14**

The government says AIG's board approved the bailout, and the company couldn't dictate the terms of its rescue. If the government wins, the case could set some loose ground rules for future bailouts of financial institutions.

"The institutions do have to agree to government terms if they want the assistance," says Marcus Stanley, policy director for **Americans for Financial Reform**. And, he says, they can't go back and object to the terms, long after the bailout.

### [Don't Laugh Off Hank Greenberg's Ridiculous AIG Lawsuit](#)

**David Dayen, New Republic, 9/29/14**

### [AIG Trial Witnesses Will Be Central Cast From 2008 Crisis](#)

**Aaron M. Kessler, NY Times, 9/29/14**

### [Gay-Marriage Hero David Boies Has an Infuriating New Cause](#)

**Alec MacGillis, New Republic, 9/24/14**

### [Revisiting the Lehman Brothers Bailout That Never Was](#)

**Peter Eavis & James Stewart, NY Times, 9/29/14**

### [Sen. Warren's NPR Interview on Financial Regulation](#)

Sen. Elizabeth Warren, a Democrat from Massachusetts, says newly released recordings of conversations between Federal Reserve officials show that the same kind of cozy relationships that led to the 2008 financial crisis still dominate Wall Street. In an interview with Morning Edition, Warren says the recordings provide definite proof of that relationship.

### [Voters Overwhelmingly Want More Enforcement of Laws and Regulations, New Poll Shows](#)

**Press Release, Public Citizen, 10/1/14**

Support for rules – and their enforcement – is overwhelming among both Democrats and Republicans, men and women, and in every region of the country...

"While the survey results are remarkable in the breadth and intensity of public opinion they reveal on this matter, it was comments of focus group participants – independent swing voters in the middle of the country, Columbus, Ohio – that were most poignant," said Celinda Lake, president of Lake Research Partners. "One participant after another placed the need for greater enforcement within the larger frame of populist frustration with an economy that exists to serve a wealthy elite. This sentiment stoked voters' appetite for tougher enforcement of rules and regulations – as a way not only to prevent deadly mistakes and save dollars and lives, but to ensure a fairer playing field for working- and middle-class America."