



Hensarling's New Deregulation Bill Is Worse than the Old One

Rep. Hensarling's revisions to his Wall Street's CHOICE Act will make a disastrous bill even worse. The proposals in the original bill increased the threat of “too big to fail” financial institutions holding up taxpayers for another bailout, rolled back safeguards protecting ordinary investors and consumers, repealed restrictions on the kind of subprime mortgages that caused the financial crisis, and eliminated restrictions on “take the money and run” bonus payments for Wall Street traders. As if that wasn’t enough, the bill also made it much easier for big financial institutions to win lawsuits to roll back any controls the government was still able to put in place.

This version includes every deregulatory provision in the original bill, but goes even further by eliminating the authority of the Consumer Financial Protection Bureau to stop abuse and deception and taking away the Bureau’s power to regularly check financial companies for compliance with consumer protection laws. It also provides a slew of giveaways to the credit ratings agencies that failed spectacularly in the financial crisis.

This legislation doesn’t just repeal huge swaths of the Dodd-Frank Act – it makes regulators even weaker than they were before the financial crisis. If this bill passes, it will demonstrate that we have learned nothing and intend to once again give Wall Street the CHOICE to wreck families' finances and the economy.

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Americans for Financial Reform (AFR) is a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups. Formed in the wake of the 2008 crisis, we are working to lay the foundation for a strong, stable, and ethical financial system—one that serves the economy and the nation as a whole.