TRUMP ADMIN, CONGRESS & WALL STREET

Leashes Come Off Wall Street, Gun Sellers, Polluters and More I NY Times
Wall Street banks like Goldman Sachs and JPMorgan Chase will not be punished, at least for now, for not collecting extra money from customers to cover potential losses from certain kinds of high-risk trades that helped unleash the 2008 financial crisis….These are just a few of the more than 90 regulations that federal agencies and the Republican-controlled Congress have delayed, suspended or reversed in the month and a half since President Trump took office, according to a tally by The New York Times.

The One Way Trump’s Administration Really Is a Fine-Tuned Machine I Yahoo Finance
[A]mid the wild lane changes, there is actually one well-oiled machine operating in Washington: the bulldozer scooping up government regulations and tossing them into the dumpster.

The coming GOP assault on regulations I Politico

Congressional push to ease regulation ignores regulatory arbitrage I Reuters (Lawrence Hsieh)

Rules Frozen by Trump Could Melt Away Without a Trace I PacificStandard

Top Republicans pushing reg reform bills I The Hill

Deregulation Delivered I WNYC

White House to Order Major Federal Agency Overhauls I CQ

The administrative state is huge, and it’s only getting bigger I Washington Post

Conservatives ponder expansion of Congressional Review Act I E&E News

The problem with a ‘regulatory budget’ I Washington Post (letter to the editor)
**Conservatives plot ways to throttle agency power** I Who What Why

**Inside Trump’s meeting with community bankers** I American Banker

“Hard data on bank earnings and lending should lay to rest any notion that financial regulations are holding back the American economy, or getting in the way of American banks making money,” Marcus Stanley, policy director at Americans for Financial Reform, said last week. He pointed at a Federal Deposit Insurance Corp. report that showed bank earnings reached record levels during 2016, while loan balances grew 5.3%.

**Skepticism grows for reg relief’s chances under Trump** I American Banker

**Banks’ Hopes For Quick Reg Relief Fade Amid Policy Battles** I Law 360

**Vote on GOP Dodd-Frank reform bill likely delayed until summer** I American Banker

**Pence adviser: Some parts of Dodd-Frank may survive scrutiny** I Politico

**Republicans eye strategy for repealing Wall Street reform** I The Hill

**Bank Culture in the Trump Era** I Reg Blog (Claire Hill)

**America’s Treasuries Revolution in Limbo With Mnuchin in Charge** I Bloomberg

**Watchdog Presses U.S. Lawmakers to Probe Icahn’s Role With Trump** I NY Times

A government watchdog group, Public Citizen, said on Wednesday it has asked lawmakers to investigate whether Carl Icahn violated lobbying disclosure laws, a complaint the billionaire investor denied and called a “witch hunt.” The group said Icahn may have been acting as a lobbyist when he advised President Donald Trump to overhaul the U.S. biofuels program. Icahn, an unpaid adviser to Trump on regulation, submitted a proposal to Trump last month to change the U.S. Renewable Fuel Standard by shifting the burden of blending biofuels into gasoline away from oil refining companies, and further down the supply chain to marketers.

See Public Citizen Statement

**Watchdog: Trump ally Carl Ichan violating lobbying rules** I The Hill

**Carl Icahn responds to ‘witch hunt’ complaint** I The Hill (Carl Icahn)

**With Trump in White House, Some Executives Ask, Why Not Me?** I NY Times
NOMINATIONS

Trump's choice for SEC could be busy with recusals I CBS MoneyWatch
A financial disclosure report that Jay Clayton filed with the government reveals clients that pose potential conflicts of interest for the SEC job. They include financial industry powerhouses Goldman Sachs, Deutsche Bank, Barclays and UBS. He may have to recuse himself from some cases that come before the agency…

“This is a sort of Who’s Who of Wall Street,” said Marcus Stanley, policy director for Americans for Financial Reform, a coalition of consumer, civil rights and labor groups. “I would think that this would force quite a lot of recusals” by Clayton.

SEC nominee reveals possible Wall Street conflicts I AP

Trump’s S.E.C. Nominee Disclosure Offers Rare Glimpse of Clients and Conflicts I NY Times

SEC nominee Clayton reveals Goldman Sachs ties in disclosures I Political

Progressive groups target Trump SEC nom for Wall St. ties I Washington Post

Questions for the Potential Next Sheriff of Wall Street I Center for American Progress
The SEC may be best known for its portrayal in movies, but its efforts to promote financial stability, to protect investors, and to facilitate access to capital for businesses have a real impact on peoples’ lives. Anyone who lost their job because of the financial crisis or saw their life savings vanish due to a fraudster knows the costs of an SEC that is absent from its beat.

To lead this vital agency, President Donald Trump nominated Jay Clayton, a longtime Wall Street attorney, to serve as the next chair of the SEC. Although the SEC is a five-person commission, the chair plays an instrumental role in setting the direction of the independent agency. For his part, Clayton is well-versed in corporate transactions such as public offerings, mergers, and acquisitions. But knowledge of how to get a corporate deal done tells us little about his approach to the difficult and important policy and enforcement challenges facing the SEC today. How he approaches these questions could significantly affect the financial well-being of millions of ordinary Americans and the overall health of the U.S. economy.

Trump SEC Pick: Another nominee with Russian ties who must disclose all potential conflicts I Allied Progress

SEC Nominee Clayton’s Ethics Filings Show Possible Conflicts I Law 360

Trump SEC nominee’s online bio is removed I Politico
Feinstein presses DOJ nominee to defend regulatory order I The Hill

Questions About Loyalty to Trump Stall Mnuchin’s Treasury Picks I Bloomberg

Steven Mnuchin’s picks for the top ranks of the U.S. Treasury are stalled due to resistance from White House aides, including one recruit whose Twitter account was scrutinized for potential criticism of Donald Trump, according to people familiar with the matter.

Bogged down are Mnuchin’s choices for his senior management team -- deputy secretary, undersecretaries for domestic finance and international affairs, general counsel and several other posts, these people said. Mnuchin has complained privately to friends that President Trump’s advisers are hindering him as he tries to get the Treasury up and running. More than a dozen people with knowledge of the debate spoke on condition of anonymity to discuss the confidential deliberations.

Mnuchin says financial nominees coming soon, including for Fed I Politico

Nason withdraws name from consideration as top bank regulator I Politico

Trump's search for top bank cop stalls as candidate withdraws Politico

Trump’s Personnel Problem I Axios

Trump regulatory czar down to two candidates I The Hill

The Office of Management and Budget (OMB) is poised to make a recommendation to President Trump on who he should appoint as regulatory czar, Director Mick Mulvaney said. “We’ve got it down to two candidates, and I think we’ll be ready to make a recommendation on that area to the president here probably this week,” Mulvaney told conservative talk show host Hugh Hewitt without naming either candidate.

Trump’s Likely Pick to Head OIRA Would Unleash Corporate Predators, Polluters I Public Citizen

Finance Committee to weigh Lighthizer’s confirmation on March 14 I Inside Trade
The Justice Department will weigh in on a legal case that could determine the Consumer Financial Protection Bureau’s constitutionality. The U.S. Court of Appeals in Washington gave the Justice Department permission to file a brief in the case, PHH v. CFPB, noting that the president’s thinking on the legal issues might differ from that of the consumer bureau, which is run by an independent director, Richard Cordray.

Justice requested permission to file a brief by March 17, a week after friend-of-the-court briefs supporting PHH are due, but well ahead of a deadline to file arguments defending the CFPB. The timeline hints that President Donald Trump’s administration might not line up behind Cordray, who has drawn fire from Republicans and from top White House economic adviser Gary Cohn, among others.

The CFPB is likely to be on its own when it attempts to defend its current structure before a federal appeals court this Spring, according to recent developments in a lawsuit filed against the agency. The U.S. Court of Appeals for the District of Columbia has granted a request by the Trump Administration to file a brief in the case. That request likely means that the administration intends to side with the plaintiffs in the suit challenging the agency’s structure. The court again also rejected a request from Democratic state attorneys general, two congressional Democrats, consumer groups and the Self-Help Credit Union to intervene in the suit.

The conversation, which took place in the White House’s Roosevelt Room before Trump led the group on an impromptu tour of the Oval Office, lasted roughly an hour and covered a range of issues. That included a discussion of Cordray’s future and that of the CFPB. At one point, Trump expressed to the group that many had urged him to oust Cordray, but the president was
not sure it was worth the political backlash. But Trump was apparently under the impression that Cordray’s term would be up soon.

Informed by Treasury Secretary Steven Mnuchin, who attended the meeting along with Gary Cohn, the White House’s chief economic adviser, that Cordray’s term lasts until July 2018, Trump asked whether anything could be done before then. Cohn said he and Mnuchin were working on the issue, while raising the prospect that Cordray could voluntarily depart to run for office in his home state of Ohio, according to participants in the meeting.

**Trump discussed Cordray’s future in community bank meeting** I American Banker

**How much has regulation really curbed lending** I American Banker (video)

**Trump Meets With Community Bankers, Pledges to Scale Back Regulations** I NY Times

**Trump pledges to ease regulations of community banks** I Washington Post

**Trump Promises Community Bank Chiefs He Will Ease Regulations** I Bloomberg

**Legal bills offer competing narratives on consumer protection** I Politico

**CFPB, Dodd-Frank reforms won't happen soon, CFPB expert says** I Legal NewsLine

**If the CFPB Is Weakened, Won’t the Credit Bureaus Run Amok (Again?)** I U.S. PIRG (Ed Mierzwinski)

**Winners and Losers if the CFPB Disappears** I Bismarck (ND) Tribune

**Poll on CFPB offers at-risk Democrats incentive to defend agency** I Politico

**Cordray hopeful about alternative data, concerned about consumer financial record access** I Politico

**Banks, consumer groups agree: Screen scraping needs better regs** I Information Management

“A bank, broker, or other financial company should not prevent consumers from accessing their own data to subvert competition with other providers,” said a coalition of 17 consumer rights groups, including Americans for Financial Reform, the Center for Responsible Lending, the National Consumer Law Center and the U.S. PIRG, in their letter to the CFPB. “The appropriate way to address such concerns is to facilitate consumer-permissioned access with adequate safeguards, including deploying fit-for-purpose tools.”

**Cordray Offers New Ideas for Consumer Lending** I MReport
Cordray said he wants to encourage consumer-friendly innovations in consumer finance. This would include carefully considering the issue of consumer control over personal financial data. He also mentioned that the CFPB is looking into the benefits and risks of using unconventional sources of data to underwrite loans as a way to open access to credit for more consumers.

“After crunching the numbers, we estimate that 26 million Americans are “credit invisible,” he said, “meaning they have no credit history at all. Another 19 million people have credit histories that, under most models, are too limited or have been inactive for too long to generate a reliable credit score.” He said there are about 45 million adults nationwide who fall into these two categories. “That is simply a tragedy in a modern economy and a modern financial system like ours,” he said, “and we all need to think harder about what we can do to address it.”

Benchmarking U.S. Government Websites I Information Technology and Innovation Foundation
CFPB ranked as third top federal website.

CFPB Office of Consumer Response Reviews Changes to Complaint Database During Recent CAB Meeting I ACA International

Dodd-Frank Rule Leads to $175 Million Digital Bank Deal I Wall St Journal

Payroll Card Regulations in New York Are Struck Down I NY Times

CFPB Proposes 6-Month Delay on Prepaid Card Rule I Bloomberg

CFPB moves to delay prepaid-card rule targeted by Republicans I Politico

PayPal, Google Join Fight to Repeal CFPB Prepaid Rule I Bloomberg

Hollingsworth and prepaid card resolution I Herald Times Online (Lucy Fischman)

CFPB’s Assault on Arbitration Stuck Between Rock, Hard Place I Bloomberg

Odds Stacked Against House Bills To Kill Bank Class Actions I Law 360

SCOTUS to Decide Future of Class Waiver Arbitration Clauses I National Law Review

Carlson to Push Forced Arbitration Clauses I Roll Call

House Approves Bill That Would Curb Class Actions I Wall St. Journal
A Republican-backed bill to restrict class-action lawsuits passed out of the U.S. House of Representatives on Thursday with a 220-201 vote and will head to the Senate.
The legislation, dubbed the Fairness in Class Action Litigation Act, would change class-actions in several big ways, perhaps most notably by restricting plaintiffs’ lawyers from getting paid until members of a class collect from a settlement, and tying attorneys’ fees more closely to how much actually gets distributed to consumers. Today, fees are typically tied to the amount a company agrees to put up, even if a small percentage of eligible class members actually come forward to take part in the deal.

See AFR statement

Democrats seek arbitration release for Wells Fargo customers I Compliance Week
The bill is cosponsored by a variety of Democrats in the House and Senate and has been endorsed by Americans for Financial Reform, Public Citizen, NAACP, the Consumers League, and other advocacy groups.

Sterling Jewelers, Wells Fargo Scandals Show Why Forced Arbitration Must End I NCLC

Faces of Forced Arbitration I Fair Arbitration Now (Amanda Werner)
In July 2011, Tracy Kilgore went to a local Wells Fargo branch to change a signature card on behalf of the Daughters of the American Revolution, where she volunteered as Treasurer. Tracy did not personally bank with Wells Fargo or have any accounts with them. The bank teller asked her for her name and ID and began typing away her computer, and she promptly left once the change was processed.

Two weeks later, Tracy received a letter from Wells Fargo saying her credit card application had been rejected, though she never applied for one. When she saw the application was filed the day after she had visited the Wells Fargo branch, it became clear the bank tried to open a fraudulent credit card in her name… Now, Tracy has joined with other defrauded customers in a class action lawsuit against the bank, but Wells Fargo is trying to force each consumer to fight them one-by-one in a biased and secretive arbitration system. Even though Tracy has never banked with Wells Fargo, their lawyers are trying to block her from suing them in court by pointing to an arbitration clause she never signed.

Leahy reintroduces bill to restore rights of Americans affected by forced arbitration I Vermont biz

Arbitration bill voted out of House Litigation Reform committee I Missourian

New CFPB Report Details Problems and Recent Reforms at Consumer Reporting Companies I NCLC

CFPB Director Richard Cordray Shares Bureau’s FinTech Vision I Pymnts
Curry defends fintech charter from industry, regulator criticism I Politico

U.S. OCC plans to push ahead on banking charter for online lenders I Reuters

OCC chief: Standards for innovation chartering to come soon I Politico

Consumer protections are needed I Omaha World-Herald (James Goddard)

WV sees through financial lobbyists; Manchin should too I Charleston Gazette (Linda Frame)

NHLA Opposes Weakening of Fed Consumer Watchdog I National Hispanic Leadership Agenda

AG Madison Announces Top 10 Consumer Complaints I 97.9 XFM
Illinois Attorney General Lisa Madigan today announced her office’s annual top 10 consumer complaints for 2016 that again show consumer debt and identity theft ranked as the top concerns among Illinois consumers in the last year.

The CFP-Who? Survey Finds Little Public Awareness of Regulator I National Mortgage Professional

Discussing the payday lending ballot measure St. Louisans will vote on tomorrow I KBIA (MO)

Proposition S: A win for St. Louis I St. Louis Post Dispatch (MO)

Yes on Proposition S to regulate payday lending in St. Louis I St. Louis Post Dispatch (editorial)

Defending my business from the federal government I St. Louis Post Dispatch (Bob Zeitler)

U.S. Zeal in Suing Banks for Lending Bias Is Expected to Cool I NY Times

AmEx Fights Back Against Credit-Card Churners I Bloomberg

Credit unions declare victory after ICBA fails to appeal lending rule I Politico
**EXECUTIVE PAY**

Health insurance companies would get $1 b or more windfall under GOP Obamacare replacement plan I CNBC

Health insurance companies could realize a $1 billion or more windfall over the next decade — and end up paying their CEOs even more money — because of a simple tweak in the GOP's proposal to replace Obamacare.

That tweak, buried in cryptic language on page 67 of the bill, would end the $500,000 cap that health insurers currently have under the Affordable Care Act on deducting the cost of executives' compensation as business expenses on their taxes. The Republican proposal to eliminate that cap means that insurers would be able to deduct nearly the full value of their CEOs' compensation, and not pay taxes on it.

**Excessive CEO Pay for Dumb Luck** I Bloomberg

**ENFORCEMENT**

Fed seeks to bar two former JPMorgan managing directors from banking industry I Politico

**INVESTOR PROTECTION AND THE SEC**

Senate Banking Panel Advances Series of Deregulatory Bills I Wall St Journal

House advances SEC bills I Politico

House Finance Services Committee Approves Six Bills to Help Small Business I Crowdfund Insider

Peirce, Fairfax Unlikely to Be Renominated as SEC Commissioners I Wall St Journal

Wall Street Cops Reined In as SEC Braces for Trump Budget Cuts I Bloomberg

SEC's Piwowar says agency negotiating budget with OMB I Politico

Here Come ETF Regulations (and Why the Industry Is Happy About It) I Wall St Journal

Social media can be useful in crowdfunding regulation, SEC conference hears I Reuters

SEC revisits decades-old bank disclosure guide I Compliance Week
MONEY AND POLITICS

Wall Street spends record $2bn on US election lobbying  I Financial Times
“The entire apparatus of government operates in an environment flooded with millions of dollars in Wall Street cash on a daily basis,” said Lisa Donner, executive director of Americans for Financial Reform. She expects the sums to keep rising under the Trump administration. “In some ways the financial industry has had to fight harder to protect its interests than before, because there is more public vigilance in areas that weren’t even battles before,” she said.

Wall Street’s big bucks in 2016  I Politico
Wall Street pumped $2.1 billion into the political process in 2015-2016, according to a new report by Americans for Financial Reform. Big banks, hedge funds and other financial giants contributed $1.1 billion to political campaigns in the last election cycle, and spent $898 million on lobbying in Washington.

Banks spent record amounts on lobbying in recent election  I Reuters

Wall Street Spent $2 Billion Trying to Influence the 2016 Election  I Fortune

Wall Street Spent $2 Billion on Election 2016  I The Street

Banks spent record amounts on lobbying in recent election  I KFGO

Wall Street, financial firms top $2 billion in 2016 election cycle spending  I Pensions & Investments

Wall Street Invests Billions to Avoid Regulation  I People For the American Way (Rio Tazewell)

MORTGAGES, FORECLOSURES & HOUSING

What’s the CFPB Ever Done for Housing? Quite a Lot  I The Street
"Liar loans would definitely have a comeback if the CFPB and Dodd-Frank were dismantled," says Reiss. "The Qualified Mortgage and ability to repay rules were implemented as part of the broader Dodd-Frank rulemaking agenda; without those rules, credit would quickly return to its extreme boom and bust cycle, with liar loans a product that would pick up steam just as the boom reaches its heights...We would bemoan them once again as soon as the bust hits its depths."

Many mortgage applicants will get a surprise credit score boost  I Washington Post

Wall Street bets on tax cuts as affordable housing pays the price  I Politico
Leaked Trump Budget Would Slash Housing Aid I Center on Budget and Policy Priorities

Nationstar hit with CFPB penalty for alleged compliance failures I Mortgage Professional America

Nationstar facing CFPB fine over HMDA violations I Housing Wire

**RETIREMENT SECURITY & FIDUCIARY DUTY RULE**

**Tony Robbins: Delay of the investor protection rule is 'ridiculous'** I CNBC
When the DOL first announced plans to enact the fiduciary rule to protect individual investors' retirement accounts, Robbins said he "saluted them." Now, "unfortunately, we see the gutting of this rule," he said.

"I personally think it's just ridiculous to not have a fiduciary standard," Robbins said. "It's about investor protection." Robbins asked: "Doctors and lawyers act in their client's best interest, so how is it that in this country we don't make it about the client first financially?"

**Does Trump Remember the Forgotten Man?** I Daily Show (video)

**Merrill suggests it may reverse course on commissions** I Investment News
The head of Merrill Lynch Wealth Management signaled Thursday the firm may back off its wholesale scrapping of commissions in retirement accounts under the Department of Labor fiduciary rule. The wirehouse had announced in October that it would no longer offer new, advised commission IRAs when the regulation went into effect April 10, and would shift entirely to advisory accounts, which assess clients a level fee for service...However, Andy Sieg, Merrill's wealth management chief, sent a note to the firm's 14,000 advisers saying that may no longer happen in certain circumstances.

**Merrill Early Mover Gaffe? DOL Policy Prompts 11 NY-Area Departures** I Advisor Hub

**New Class of Mutual Fund Shares in Limbo as ‘Fiduciary’ Rule Is Delayed** I Wall St Journal

**Investment Advisers Clash Over Fiduciary Rule Delay** I Bloomberg

**Comments Flood In on DOL Fiduciary Rule Delay** I ThinkAdvisor

**SEC’s Piwowar and Scaramucci Slam Fiduciary Rule** I Financial Advisor

**A Simple Alternative to the Fiduciary Rule** I Wall St Journal (Patrick Lach)
STUDENT LOANS & FOR-PROFIT SCHOOLS

Trump Admin delays enforcement of For-Profit College Rules I Wall St Journal
The Trump administration said Monday it would delay implementing new rules designed to punish career-training schools that leave students with high levels of debt but weak job prospects. The move delays new rules known as “gainful employment” that formed a key piece of former President Barack Obama’s higher-education agenda. It could ultimately help for-profit colleges avoid sanctions if they prove the government data underpinning the rules is flawed….

The rules are designed to cut off access to federal money for career-training programs if multiple classes of their graduates spend at least 20% of their discretionary income, as defined by a formula, or 8% of their total earnings each year, paying off student debt.

Trump administration offers first friendly overtures to for-profit colleges I Market Watch

Delay in Gainful Employment Deadlines I Inside Higher ED


Art Institute campuses to be sold to foundation I Washington Post
A philanthropic foundation in Los Angeles is buying the vast majority of career colleges owned by Education Management Corp., including 31 Art Institute campuses, Argosy University and South University, in a deal announced Friday that underscores the instability of the for-profit
education industry. Education Management (EDMC) was once one of the largest for-profit college chains in the country, with more than 150,000 students studying such fields as culinary arts, health sciences and education at 106 locations in 32 states and Canada.

For-profit college EDMC to be sold to LA-based nonprofit I Politico
The Dream Center Foundation, a nonprofit based in Los Angeles, announced today it would buy the struggling Education Management Corporation, which has laid off hundreds of workers, stopped enrolling at many of its campuses and closed many others. The acquisition includes EDMC’s Art Institutes, Argosy University and South University. The deal does not include Brown Mackie College, which ceased enrolling students at nearly all of its campuses last summer...

In 2015, EDMC agreed to pay $95.5 million as a result of two major settlements announced to resolve allegations about its recruiting practices.

I Honestly Don’t Get This I Inside Higher Ed (Matt Reed)

These For-Profit Schools Are ‘Like a Prison’ I ProPublica

State House Passes Bill to Protect Students of For-profit Schools I Seattle Medium

Trustee prepares for next round in ITT bankruptcy I Indiana Lawyer

Feds Release Financial Responsibility Scores I Inside Higher ED

SYSTEMIC RISK

Kashkari supports direction of CHOICE Act capital requirements I Politico
The head of the Federal Reserve Bank of Minneapolis today said he supports the direction of House Republicans’ plan to push large banks to hold more capital but argued that it doesn’t go far enough.

Bank group rebuts Fed push for capital rule for nonfinancial investments I Politico
A group that represents large banks is arguing that it is unnecessary for the Federal Reserve to impose capital requirements on banks for investing in nonfinancial companies. In a report sent to the Fed today, the Clearing House Association argues that “existing capital requirements are more than sufficient to cover losses in merchant banking portfolios.”

Under a proposed rule from the Fed, banks would be required to raise capital for investments in companies that extract, transport and store physical commodities, or companies that own commodities complementary to the bank’s financial activities. The Fed has also left the door open for capital requirements on all merchant banking investments.
The future of the controversial rule is uncertain, as President Donald Trump could nominate three new Fed board members this year.

**OTHER TOPICS**

*The Americans* is now more vital than ever in Season 5 I Mashable
Russia’s widespread poverty is mentioned several times, with both Philip and Elizabeth recalling what it was like to live there and basically starve, while KGB agent Oleg (Costa Ronin), now back in Russia, is assigned to investigate corruption in the food trade organizations that are making it nearly impossible for tens of thousands of citizens to get food. Is this a mirror of the U.S. in 2017?

Not exactly, but millions of people (approximately 43 million, according to statistics from 2015) live in poverty in this country, a situation that may worsen as the new president rolls back financial regulations that Marcus Stanley, policy director at Americans for Financial Reform, calls a dismantling of "hard-won protections for consumers and financial stability."