THIS WEEK IN WALL STREET REFORM

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Occupy Wall Street

Occupy Oakland: Thousands of protesters rally at port
LA NOW (LAT)
November 2, 2011

"Thousands of Occupy Oakland protesters descended Wednesday night on the Port of Oakland, but police said so far they have made no arrests and that the demonstration had largely been peaceful. 'The world is watching Oakland tonight. We need to make sure this remains a safe place for everyone'" said City Administrator Deanna Santana. who was joined at an early evening news conference by Mayor Jean Quan, Interim Police Chief Howard Jordan and port officials." Click here for more.

Occupy Wall Street clash in Oakland: How should police handle protests?
Daniel B. Wood, (Christian Science Monitor)
November 4, 2011

"The violence and arrests that have accompanied Occupy Wall Street protests in several US cities, most notably Oakland, Calif., are raising the question of whether police are becoming too heavy-handed against the movement. Some key incidents…" Click here for more.

Demonstrators Test Mayor, a Backer of Wall St. and Free Speech
Kate Taylor (NYT)
November 3, 2011

"Shortly before noon on Wednesday, the barricades that impeded foot traffic along Wall Street for weeks came down. Elected officials praised the mayor. Shopkeepers breathed sighs of relief. But just seven hours later, the barricades went back up. Occupy Wall Street protesters were on the move, and the police were worried they would flood the street." Click here for more.

Introducing OWSnews.org - News of, by and for the 99%
OWSnews.org
November 2, 2011

"OWSnews.org is being launched by journalists and organizers at New York's Liberty Park occupation and over 20 other occupied locations throughout the US. This service is specifically dedicated to aggregating and producing news reports on the OWS 99% Movement. Our website also features many social networking capabilities which allow registered users to create their own profile, share ideas and easily communicate with many other journalists and OWS activists. You can be one of the first people to join this network by creating your own profile and contributing to the site by registering here: OWSnews.org/register."

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Attacks on Regulations and Pushback

OMB Watch - House Judiciary Committee Attempts to Make It More Difficult to Protect the Public
OMB Watch press release
November 3, 2011

"Today, the House Judiciary Committee approved the so-called Regulatory Accountability Act (RAA). The bill is the second piece of regulatory process legislation approved by the committee in the past two weeks that would make it more difficult to protect the public from environmental, health, safety, and economic hazards. 'Last week, the House Judiciary Committee approved the REINS Act, legislation that would hold important public protections hostage to congressional gridlock and political posturing,' said Katherine McFate, president of OMB Watch. 'Now, the committee wants to bulldoze a half century of rulemaking procedures with the deliberately mislabeled Regulatory Accountability Act.'" Click here for more.

AFR Letter: AFR Opposes Regulatory Accountability Act
Click here to view a letter from AFR that was sent to the House Judiciary Committee today opposing the Regulatory Accountability Act.

Excerpt:

> *"We write today to express our strong opposition to HR 3010, the 'Regulatory Accountability Act of 2011'. This legislation could instead be entitled the 'End Wall Street Accountability Act of 2011', since this would be one of its major effects. This legislation would require the agencies charged with oversight of our largest banks and most critical financial markets to comply with a host of additional bureaucratic and procedural requirements designed to make effective action virtually impossible. By doing so it would tilt the playing field still further in the direction of powerful Wall Street banks, and against the public interest. It would paralyze the ability of regulators to protect consumers from financial exploitation and prevent another catastrophic financial crisis."*

Knapp - Regulatory reform good for multinationals, yet bad for you
Frank Knapp Jr., vice-chair of the American Sustainable Business Council (blog for The Hill)
November 1, 2011

"The Regulatory Accountability Act of 2011 (RAA), a bipartisan bill introduced in the House and Senate, portends to offer common sense rules to affect how Federal agencies analyze costs and benefits. The bill provides extensively detailed procedures for agencies in promulgating regulations that are projected to have a minimum effect of at least $100 million on the United States economy." Click here for more.

Wall Street reform law bogged down
Josh Boak (Politico)
October 30, 2011

"President Barack Obama signed the Dodd-Frank financial reform bill into law 15 months ago, saying he was anxious to put new rules of the road in place for Wall Street. But federal agencies have blown about 77 percent of the rule-making deadlines for the massive overhaul, according to a recent progress report by the law firm Davis Polk — meaning key parts of the bill are far from implementation. … In some cases, Wolin said, politics are slowing down the process. Senate Republicans are blocking the nomination of Richard Cordray to head the new Consumer Financial Protection Bureau unless changes in governance are made to the agency. GOP lawmakers also have introduced bills to repeal all or part of the 848-page Dodd-Frank law." Click here for more.

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CFPB and Consumer Issues

CFPB's first 100 days under microscope at hearing
Ruth Mantell (MarketWatch)
November 2, 2011

"The infant Consumer Financial Protection Bureau needs more oversight, Republican lawmakers said Wednesday at a hearing as a top bureau official defended the agency's work. 'My fear is that there are simply no checks and balances. It could easily become a loose cannon,' said Rep. Spencer Bachus, a Republican of Alabama, at the hearing of the House Financial Services financial institutions and consumer credit subcommittee. … Raj Date, special advisor to the Treasury Department for the CFPB, said there may be skeptics because 'talk is cheap.' 'If you don't believe what we say, look at what we do,' Date said. Date detailed the CFPB's accomplishments over its first 100 days, such as examining large banks, and working to clarify mortgage documents and student loans. The bureau has already hired about 700 employees, including chiefs to lead offices supporting older Americans and military service members." Click here for more.

Click here to view the hearing or read testimony from Mr. Raj Date.

Click here to view the press release from Rep. Maloney's office about the press conference with Rep. Maloney, Rep. Frank, US PIRG's Ed Mierzwinski, Consumer Action's Ruth Susswein, AFR's Lisa Donner, AFL-CIO's Greg Jefferson, Consumer Union's Pamela Banks, and CFA's Travis Plunkett.

Consumer agency will fight to defend service members' pocketbooks
Jim Puzzanghera (LAT)
November 02, 2011

"Navy Petty Officer Tyson Steele needed to buy a new vehicle. But like some military members who borrow money, he said he was taken for a ride on the financing. He signed a deal in December to purchase a used Chevrolet Silverado through a San Diego dealership loan at 6.9% interest, according to his attorney. A few days after Steele drove the pickup off the lot, the dealership said it was unable to secure financing." Click here for more.

Empowering and Protecting Servicemembers, Veterans and their Families in the Consumer Financial Marketplace
US Senate Committee on Banking, Housing and Urban Affairs
November 3, 2011

Click here to view/read testimony from the Senate Committee on Banking hearing entitled "Empowering and Protecting Servicemembers, Veterans and their Families in the Consumer Financial Marketplace".

Click here to view the press statement prior to the hearing from CFA and **click here** to view the press statement from AFR after the hearing.

Excerpt:

> *"We applaud Senator Johnson for holding this important hearing. In 2006, the Department of Defense (DoD) issued a "Report on Predatory Lending Practices Directed at Members of the Armed Forces and Their Dependents", which concluded that "predatory lending undermines military readiness, harms the morale of troops and their families, and adds to the cost of fielding an all volunteer fighting force." In surveys conducted by DoD last year, personal finances ranked second on the list of causes of stress for servicemembers, second only to career concerns. Financial problems are now the top cause of revocation of military security clearances. The Consumer Financial Protection Bureau – once it is fully up and running with a Director in place – will have the mandate and the tools to take on the range of abusive lending targeting servicemembers and all consumers. And in addition to its general consumer protection mission, it has a particular responsibility to protect servicemembers."*

CFPB - When Partisan Obstruction Goes Too Far
Anthony Coley (CFPB)
November 2, 2011

"For years, we have been hearing unfortunate stories from men and women in uniform being taken advantage of by predatory lenders. The Los Angeles Times *today published a compelling article reminding us of this recurring problem, which is not just confined to predatory lenders or* Buy Here Pay Here *store fronts. A few weeks ago, Holly Petraeus, head of Servicemember Affairs for the new Consumer Financial Protection Bureau (CFPB), shined the light on another issue: for-profit colleges using unsavory marketing practices to target military personnel…" Click here for more.*

White House: Military families at risk by leaderless Consumer Financial Protection Bureau
Adam Aigner-Treworgy (CNN)
November 3, 2011

"The White House is again pressuring Republicans in the Senate to support the nomination of Richard Cordray as head the Consumer Financial Protection Bureau. The latest pressure point: military families. In a conference call with reporters, White House officials cited the importance of the CFPB in the lives of service members to protect them from predatory lenders, certain types of installment loans and debt collectors who often harass service members during active duty." Click here for more.

A vicious cycle in the used-car business
Ken Bensinger (LAT)
October 30, 2011

"First of three parts *Tiffany Lee wanted a car. She was weary of the two-hour bus ride to her job at a UCLA Health System clinic. She hated having to ask friends to drive her 7-year-old son to his [asthma](#) treatments. But as a single mother with three children, bad credit and a $27,000-a-year salary, she couldn't find a bank or dealership willing to give her a loan. Then a friend steered her to Repossess Auto Sales in Hawthorne. Another buyer might have balked at the deal she was offered. Lee figured she had no choice. She put $3,000 down and drove off in a 2007 Ford Fusion, [agreeing to pay](#) $387 a month for four years. The interest rate: 20.7%, nearly triple the national average for a used-car loan." [Click here for more.](#)*

Senate Democrats urge banks to simplify fee disclosures
Vicki Needham (The Hill)
November 3, 2011

"Two Senate Democrats are pressing financial institutions to adopt a one-page form that details fees on checking accounts. Senate Majority Whip Dick Durbin (D-Ill.) and Sen. Jack Reed (D-R.I.), a member of the Senate Banking, Housing and Urban Development Committee, sent a letter on Thursday to the Consumer Financial Protection Bureau (CFPB) asking the newly formed agency to press banks disclose fees on checking accounts and 'make it a standard' in the industry." [Click here for more.](#)

Attention Cell Phone Users: US Chamber of Commerce, Debt Collectors Push Bill to Allow Cell Phone Robo Calls
Ralph E. Stone (Fog City Journal)
November 1, 2011

"A coalition of debt collectors, the U.S. Chamber of Commerce, and other anti-consumer groups have obtained support in Congress for a dangerous proposal ([HR 3035](#)) that would allow debt collectors and other businesses to flood cell phones with the recorded calls known as "robo-calls." Take Action now to help stop this legislation!" [Click here for more.](#)

[Click here](#) to view the press statement on HR 3035 from the National Association of Consumer Advocates.

Excerpt:

> *"Hate those annoying, usually dinner time, phone calls with a long pause where it seems like there's no one at the other end? Then, just before you hang up, you hear the robo-voice on the other end. A new House proposal – HR 3035 – will likely make this the new norm for consumer cell phones. A coalition of debt collectors, the U.S. Chamber and other anti-consumer groups have obtained Congressional support for a dangerous proposal that would allow debt collectors and other businesses to flood cell phones with robo-calls. The bill, HR 3035 Mobile Informational Call Act of 2011, will be the subject of a House Energy and Commerce Committee hearing this coming Friday, November 4, 2011 at 9:00am. The bill's sponsors are Congressmen Lee Terry (R-NE) and Edolphus Towns (D-NY)."*

White House - Holly Petraeus Gets It
Katelyn Sabochik (White House)
November 03, 2011

"This evening, Vice President Biden sent the email below to the White House email list. [If you didn't get it, be sure to sign up for our list](#). I want to make sure you heard a piece of news from Capitol Hill today.This morning, Holly Petraeus, who has been leading an office at the Consumer Financial Protection Bureau to protect military families, went to Capitol Hill to highlight some of the most abusive practices our service members face in today's financial marketplace. She explained that military families are the targets of predatory lenders. She talked about how many service members and their families struggle to make ends meet -- especially during deployments. And she said that the CFPB will help combat the lenders who try to take advantage of people with deceptive, unfair, and abusive lending practices." [Click here for more.](#)

Rep. Frank: President Should Use Recess Appointment For CFPB Chief
Maya Jackson Randall (Dow Jones Newswires)

November 3, 2011

"Frustrated by Republican complaints against the U.S. Consumer Financial Protection Bureau, U.S. Rep. Barney Frank on Wednesday urged the president to use a recess appointment to name Richard Cordray to the new bureau's top post. 'I would hope they would,' Frank said at a press conference, referring to his desire for the White House to override Senate Republicans' objections and make Cordray the bureau's first director. 'I think they should go ahead and do it.' Frank, a Massachusetts Democrat, is a key author of the 2010 Dodd-Frank law that created the consumer bureau and has been pushing along with other Democrats and consumer groups to get the agency a permanent leader. Under the law, the bureau can't use its full consumer protection powers until it has a permanent chief. President Barack Obama nominated Cordray, a former Ohio attorney general, to serve as the bureau's permanent leader earlier this year. However, Republican lawmakers in the Senate, the chamber with the power to approve presidential nominees, have vowed to block any nominee to lead the consumer bureau until the agency's structure is revamped. Critics in the Senate say the bureau, designed to protect consumers of mortgages, credit cards and other financial products, has too much authority over financial markets. To balance out the power, they want the agency to be led by a commission rather than a single director. They also believe other banking regulators should have a greater say over how the bureau's actions could affect the U.S. banking system." *Click here for more.*

White House, Pushing Richard Cordray's Nomination To CFPB, Cites Occupy Wall Street
Sam Stein (Huffington Post)
November 3, 2011

"The Obama administration has been careful in its handling of the Occupy Wall Street movement, expressing sympathy with the sentiment behind it but never going so far as to formally endorse it. But on financial regulatory and consumer protection issues, there is a clear -- and inviting -- overlap between politics and the protests. On Thursday, top members of the Obama administration's communications and economic team held a conference call designed to put pressure on Senate Republicans to confirm Richard Cordray to head the Consumer Financial Protection Bureau. The call highlighted testimony from the CFPB's head of Servicemember Affairs Holly Petraeus, wife of general David Petraeus, in which she argued that an understaffed CFPB left family members of veterans vulnerable to predatory payday lenders and debt collectors." *Click here for more.*

US PIRG - Treasury steps up effort to strengthen CFPB by confirming Cordray– opposes "partisan obstructionism" that harms military families in financial marketplace
Ilya Slavinski (Federal Field Associate, US PIRG)
November 3, 2011

"Over at the Treasury Department blog, Treasury's Anthony Coley says that 'When Partisan Obstruction Goes Too Far,' it hurts the CFPB's ability to protect military families. From the blog: 'As we approach Veterans Day, I can think of no better way to show how much we appreciate our men and women in uniform than to fully protect them and their families from unfair, abusive, or deceptive financial practices. By simply allowing an up or down vote on Pres. Obama's nominee to lead the CFPB [Rich Cordray], Senate Republicans can make that happen today.' Good to see the Treasury recognizing the partisanship that prevents the CFPB from exercising its full authority to protect the public from unfair financial practices. As I mentioned in a previous post, '44 Republican Senators, led by Richard Shelby (R-AL), wrote the President in May and told him that they would block confirmation of any director forever unless the CFPB is first torn down and rebuilt the way the big banks want it– weak and powerless and with a tin cup in hand.' This includes Maine's Senators Snowe and Collins." *Click here for more.*

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Shadow Markets and Systemic Risk

Right loses fight for deeper cuts
David Rogers (Politico)
November 1, 2011

"Rural and anti-Wall Street politics came together for a moment Tuesday as the Senate approved an estimated $182 billion spending bill after rejecting conservative demands for still deeper appropriations cuts beyond the August debt limit agreement. Smelling defeat, Republicans pulled their amendment to slow the pace of financial reforms being implemented by the Commodity Futures Trading Commission. And Democrats appeared emboldened, even welcoming the next round of the same Wall Street fight when the CFTC and Securities and Exchange Commission budgets come before the Senate later this week. In the case of the Wall Street regulatory fight, 60 votes was, in fact, the threshold that had been set for the CFTC rider first proposed by Sen. Mike Crapo (R-Idaho).'I think we'll be back with something,' Crapo told POLITICO after agreeing to withdraw his proposal in an exchange with Sen. Debbie Stabenow (D-Mich.), who chairs the Senate Agriculture Committee with jurisdiction over the commission. But between the market turmoil and Occupy Wall Street, the politics of financial reform are such that many Democrats almost relish the chance to stand with the Dodd-Frank bill enacted last year. Crapo denied any political motive, but when his amendment was first offered, it was widely seen as a ploy to put the squeeze on Democrats, anxious for Wall Street campaign donations. But with Democrats united — and the real risk of some Republican defections — the respected Idaho conservative risked hurting his own cause by coming out with fewer than 50 votes, let alone 60." Click here for more.

Click here to view AFR's letter urging Senators to oppose the Crapo amendment.

Excerpt:

> *"Senate Amendment 814 would severely damage if not eliminate the ability of financial regulators to oversee the 'shadow markets' in derivatives that were a central contributor to the catastrophic financial crisis of 2008. The financial collapse cost Americans millions of jobs and trillions of dollars. The economic and deficit issues we face today were to a substantial degree created by the failure of our financial system. According to recent polling, 77 percent of Americans want tougher rules and enforcement for Wall Street companies. Amendment 814 undermines these protections and must be defeated."*

Friedman - Did You Hear the One About the Bankers?
Thomas Friedman (NYT op-ed)
October 29, 2011

"Citigroup is lucky that Muammar el-Qaddafi was killed when he was. The Libyan leader's death diverted attention from a lethal article involving Citigroup that deserved more attention because it helps to explain why many average Americans have expressed support for the Occupy Wall Street movement. The news was that Citigroup had to pay a $285 million fine to settle a case in which, with one hand, Citibank sold a package of toxic mortgage-backed securities to unsuspecting customers — securities that it knew were likely to go bust — and, with the other hand, shorted the same securities — that is, bet millions of dollars that they would go bust. It doesn't get any more immoral than this. As the Securities and Exchange Commission civil complaint noted, in 2007, Citigroup exercised "significant influence" over choosing $500 million of the $1 billion worth of assets in the deal, and the global bank deliberately chose collateralized debt obligations, or C.D.O.'s, built from mortgage loans almost sure to fail. According to The Wall Street Journal, the S.E.C. complaint quoted one unnamed C.D.O. trader outside Citigroup as describing the portfolio as resembling something your dog leaves on your neighbor's lawn. 'The deal became largely worthless within months of its creation,' The Journal added. 'As a result, about 15 hedge funds, investment managers and other firms that invested in the deal lost hundreds of millions of dollars, while Citigroup made $160 million in fees and trading profits.' Click here for more.

Volcker Rule

Volcker Rule Costs Banks $1 Billion, U.S. Government Says
Silla Brush (Bloomberg)
October 28, 2011

"The Dodd-Frank Act's ban on proprietary trading and limits on hedge-fund investments will cost U.S. national banks about $1 billion for compliance and capital, according to a government estimate. The Volcker rule, proposed by the Federal Reserve, Federal Deposit Insurance Corp. and two other regulators this month, would result in $917 million in capital costs for the banks, according to the Sept. 7 impact analysis conducted by the Office of the Comptroller of the Currency. … 'Only $50 million of these costs are these kinds of costs of government regulation,' said ***Marcus Stanley, policy director for Americans for Financial Reform****, a coalition of 250 groups including the AFL-CIO labor group and AARP. The cost 'is very small compared to potentially making trillions of dollars in assets safer,' he said in a telephone interview." Click here for more.*

Click here to view AFR's press statement on the Volcker Rule.

Excerpt:

> *"The Volcker Rule, with its clear ban on both proprietary trading and conflicts of interest, is one of the short list of places where the Dodd-Frank Act imposes an outright ban on Wall Street practices central to the financial crisis. Unfortunately, the proposal issued today falls well short of what the Volcker Rule could and should achieve. It is too weighted toward preserving bank freedom of action, rather than creating the changes in bank practice and culture required by the statute," said* ***Lisa Donner****,* ***executive director of Americans for Financial Reform****. "We strongly urge major improvements in the final rule. The serious and widespread economic pain caused by the failures of our financial system, and the growing expressions of public outrage – with more and more people taking to the streets –help make it clear how important it is to get this right," she added.*

From AFR (see *'Upcoming Events'* for more details):

Evaluating The Volcker Rule

Save the Date: Wednesday, November 9th, 9:30 to 1:00
Location – Hart Senate Office Building, Room 902

MF Global

MF Global provides first test for Dodd-Frank
Ira Teinowitz (The Deal)
November 1, 2011

"It hasn't taken long for Wall Street to offer up a test case for financial reform. MF Global Holdings Ltd.'s bankruptcy comes just as regulators consider how stringently to implement the Dodd-Frank Act's Volcker Rule and as Congress considers whether to rewrite the law's procedures for seizing and winding down failed firms. The implications of the bankruptcy might yet grow significantly. Press reports late Tuesday, Nov. 1, said MF Global officials admitted to regulators searching for assets that some money had been diverted from customer accounts, which if true would generate considerable questions for regulators and Capitol Hill. … ***Marcus Stanley, policy director of Americans for Financial Reform, a coalition of consumer and labor groups****, called the bankruptcy a warning to regulators that the Volcker Rule should be implemented strictly. 'MF Global's failure -- like the recent proprietary losses by Goldman Sachs -- underlines the risks of speculative proprietary bets," he said. 'A tough Volcker Rule will restrict this kind of speculation to institutions that are 'small enough to fail' and prevent the giant investment banks central to the economy from taking these kinds of risks.'" Click here for more.*

Many Alarms Rang Before MF Global Crashed
Susanne Craig, Ben Protess, and Michael J. De La Merced (DealBook/NYT)
November 2, 2011

"A little before 2 a.m. on Monday, Jon S. Corzine was in MF Global's offices in Midtown Manhattan, scrambling to cut a deal to save his firm. Haggard from too little sleep, at times pacing the hallways, he at least had a handshake agreement with one suitor for the firm. Then the chief executive was interrupted to handle a brief conversation that would stop the deal talks cold: hundreds of millions of dollars in customer funds, he was told, could not be located. Three hours later, the board of MF Global, with no bidders or options left, voted to file for bankruptcy, the largest failure on Wall Street since Lehman Brothers in 2008. … The details that have emerged about MF Global's final 72 hours — drawn from dozens of interviews with people who participated in the weekend discussions or were directly briefed by people who did — illustrate that three years after the financial crisis, Wall Street executives are still fighting regulators' demands." Click here for more.

MF Global Masked Debt Risks
Michael Rapoport (WSJ – subscription required)
November 4, 2011

"For the past two years, MF Global Holdings Ltd. may have disguised its debt levels to investors by temporarily slashing the debt it was carrying before publicly reporting its finances each quarter, according to an analysis by The Wall Street Journal. The activity, referred to in the financial industry as 'window dressing,' suggests that the troubled financial firm was shouldering more risk and using more borrowed funds to facilitate its trading than investors could easily detect from the firm's regulatory filings." Click here for more.

Nocera - Corzine Crashes Like It's 2008
Joe Nocera (NYT)
October 31, 2011

"When Goldman Sachs went public on May 4, 1999, Jon Corzine, who was then the firm's chief executive, held a stake that was suddenly valued at $305 million. So, perhaps, it's uncharitable to complain about the piddling $12 million severance he was poised to gain if he had managed to sell his current firm, MF Global Holdings, over the weekend." Click here for more

GOP senator says many banks still too big
Jonathan Easley (The Hill)
November 2, 2011

"Richard Shelby (Ala.), the ranking Republican on the Senate Banking Committee, warned that many of America's biggest banks could need further capitalization and additional regulations to stay healthy and avoid another round of taxpayer bailouts. 'Dr. Volcker asked the other question — if they're too big to fail, are they too big to exist?' Shelby said Wednesday on MSNBC's 'Morning Joe. 'And that's a good question. And some of them obviously are, and some of them — if they don't get their house in order — they might not exist. They're going to have to sell off parts to survive.'" Click here for more.

SEC expects to file further CDO charges
Kara Scannell in New York (FT – registration required)
November 2, 2011

"The Securities and Exchange Commission expects to file charges against more Wall Street firms related to the sale of mortgage-linked securities, with hopes of wrapping up probes from the financial crisis in the near term, according to a senior enforcement official. The potential charges would follow SEC settlements with three Wall Street banks that allegedly misled investors who bought collateralised debt obligations – mortgage-linked securities." Click here for more.

Commodity Speculation and Position Limits

Investigations Subcommittee Holds Hearing on Excessive Speculation and the New Positions Limit Rule
Committee press release
November 2, 2011

"After reviewing over 15,000 public comments on a proposal to combat speculative pressures on commodity prices, the Commodity Futures Trading Commission (CFTC) recently issued a final rule to put trading limits in place to clamp down on excessive speculation and price manipulation. Concerned about the impact of commodity speculation on jobs, families, and the economic recovery, the Permanent Subcommittee on Investigations has called a hearing for Thursday, November 3, 2011, to hear from, among other witnesses, CFTC Chairman Gary Gensler."

Click here to view and/or read testimony from the hearing or click on names - Industrial Energy Consumers of America's Paul N. Cicio, Public Citizen's Tyson T. Slocum, and Better Markets, Inc.'s Wallace C. Tubberville and CFTC Chairman Gary Gensler.

CFA - Oil Speculation on Wall Street Devastates Household Budgets on Main Street
CFA press release
November 3, 2011

"Dr. Mark Cooper, CFA Director of Research, submitted the following statement for the record of the hearing on Excessive Speculation and Compliance with the Dodd- Frank Act, being conducted by the Senate Committee on Homeland Security and Governmental Affairs, along with CFA's recent report entitled Excessive Speculation and Oil Price Shock Recessions: A Case of Wall Street 'Déjà vu All Over Again.'" Click here for more.

International

Greek PM scraps referendum plan
Tony Barber and Kerin Hope in Athens, Peter Spiegel in Cannes and David Oakley in London (FT – registration required)
November 3, 2011

"Greece's prime minister has abandoned his plan to hold a referendum on eurozone membership and instead set his sights on winning a parliamentary confidence vote, a dramatic about-face welcomed by European leaders and financial markets." Click here for more.

Bair - The Eurozone crisis will not go away until banks face reality
Sheila Bair (contributor to Fortune)
November 2, 2011

"The European sovereign debt crisis is slowly driving the global economy back into the ditch. Why is this crisis so unresolvable? The answer comes back once again to excess risk taking and leverage in the banking sector. In late October, Europe's leaders finally persuaded the banks to take a 50% cut on the Greek debt they hold, although this agreement could be jeopardized by Greece's recent call for a referendum on its bailout package. But debt restructuring will get you only so far because Europe's banks do not have sufficient capital to absorb future losses, which the IMF estimates will be $280 billion or higher. And why are Europe's banks so thinly capitalized? That responsibility rests squarely with European banks and their regulators." Click here for more.

Khimm - Could Dodd-Frank protect us from a Eurozone meltdown?
Suzy Khimm (Washington Post)
November 4, 2011

"One of the most remarkable features of the 2008 financial crisis was how few people saw it coming—either on Wall Street or in Washington. To prevent a repeat event, the authors of Dodd-Frank created the new Office of Financial Research, devoted to gathering and analyzing information about systemic risks and other threats to the US financial system. Supporters say that it could help assess, for instance, the kind of

counterparty risks that US financial institutions would face if the Eurozone debt crisis turned into a true financial meltdown. But like many other parts of Dodd-Frank, the implementation of OFR has only begun getting off the ground—and has already come under attack from Republicans who've described the office as "Orwellian" in nature." [*Click here for more.*](#)

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Foreclosures and Housing

Foreclosure victims get new help from feds
Ilyce Glink (MoneyWatch)
November 3, 2011

"Victims of wrongful foreclosures are finally getting a way to fight back. A year and a half after it was first announced, enforcement action is finally being taken against the 14 largest mortgage servicers in the country. The Office of the Comptroller of the Currency (OCC) announced yesterday the beginning of the [Independent Foreclosure Review](#); the OCC and the Federal Reserve had called for the review to start back in April 2010. This review, conducted by an independent agency, gives homeowners the opportunity to request a review of how the lender conducted the foreclosure of their primary residence." [*Click here for more.*](#)

[Click here](#) to view AFR's February press statement on OCC's Obstruction of Foreclosure Solutions.

Excerpt:

> *"We are deeply disturbed, but not entirely surprised, to learn that the Office of the Comptroller of the Currency (OCC) is opposing tough enforcement against illegal practices that are costing millions of families their homes. The evidence of abuse and illegality by the industry at every stage in the mortgage, servicing, foreclosure, and modification process is staggering, and the impact of this abuse on individuals, communities, and the economy as a whole is devastating. But, as the American Banker reported, 'the Office of the Comptroller of the Currency is concerned about taking overly harsh actions'".*

Flaws Jeopardize New Attempt to Help Homeowners
Paul Kiel (ProPublica)
November 4, 2011

"Banking regulators this week launched the government's latest attempt to help troubled homeowners — the Independent Foreclosure Review — heralding it as a thorough and fair way to compensate homeowners victimized by big banks. But early indications are that this program, like earlier efforts, has fundamental flaws." [*Click here for more.*](#)

AG settlement targets 5 largest mortgage servicers
Jon Prior (Housing Wire)
November 1, 2011

*"The state attorneys general are closing in on a settlement figure with the five largest mortgage servicers over faulty foreclosure practices that surfaced one year ago. The largest servicers include **Bank of America**, **JPMorgan Chase**, **Wells Fargo, Citigroup**, and **Ally Financial**, according to Iowa AG Tom Miller's office, which is leading the talks. 'We think we have reached a settlement amount with the five largest servicers,' said a spokesman for Miller, who said additional agreements with other mortgage servicers are not included in the current settlement. 'If we end up settling beyond the five that would increase the amount.'"* [*Click here for more.*](#)

The Money Pit: Complying with Federal Foreclosure Order
American Banker (subscription required)
November 2, 2011

"The foreclosure review process mandated by a federal consent order is turning out to be far more punitive and costly than banks and mortgage servicers initially thought, industry sources say. Because regulators have not yet decided what financial remedies would be given to borrowers who were wronged, bank executives are concerned that the tab will be open-ended. Large mortgage servicers on Tuesday took the first step in a massive, government-mandated outreach campaign to determine whom their foreclosure practices harmed." Click here for more.

New Bottom Line - Proposed AG Settlement Helps Big Banks, Hurts Homeowners
Press release
November 2, 2011

"In response to the recent media reports that state Attorneys General are close to reaching a settlement with big banks on the foreclosure fraud scandal, The New Bottom Line has written an open letter to the Obama Administration and 50 state Attorneys General. See the open letter here: http://www.newbottomline.com/open_letter_to_obama_and_attorneys_general"

DeMarco: Republican Bill on Fannie, Freddie a 'Thoughtful Approach'
Alan Zibel (WSJ – subscription required)
November 3, 2011

"A Republican lawmaker's plan to remake the nation's mortgage market with scaled-back federal support is winning the support of a key federal regulator. Legislation drafted by Rep. Scott Garrett (R., N.J.) would restructure the market for buying and selling securities backed by home loans. It charges the Federal Housing Finance Agency, which oversees mortgage giants Fannie Mae and Freddie Mac, with setting standards for mortgage-backed securities, which would be issued without any federal guarantee against default." Click here for more.

Lux - The Worst Deal They Could Cut
Mike Lux (The Huffington Post)
October 31, 2011

"I have had a somewhat up-and-down history with the folks in the Obama administration. I was proud to be their liaison to the progressive community during the Obama-Biden Presidential transition, and have labored mightily to help them at several key junctures during this first term. I have been quite critical of them at times on political strategy and specific policies, but have always supported them overall because I know Barack Obama is a far superior president to any of the extremist lunatics in the Republican Party: I definitely prefer a sane, intelligent president to one of those turkeys. I have been especially appreciative of their outreach to me and other progressives since Rahm Emanuel left for Chicago, and have been thrilled with Obama's newfound messaging toughness on jobs and taxing millionaires over the last couple of months. … This banking deal that I have been writing about for the last week was the subject of a great piece by Gretchen Morgenson in the New York Times*, and as more details emerge, it looks even worse than a lot of us who have been following this issue thought it would be. We already knew that the $25 billion fund being created would only cover 5 percent of the underwater mortgage foreclosure problem, but Morgenson reports that most of the $25 billion isn't from the banks themselves, but from taxpayers." Click here for more.*

Homeownership Near 13-Year Low as Mortgage Rules Crimp Sales
Kathleen M. Howley (Bloomberg)
November 03, 2011

"The U.S. homeownership rate in the third quarter was at the second-lowest level in 13 years as borrowers were evicted after foreclosures and the tightest mortgage standards in more than a decade thwarted new buyers. The ownership rate was 66.3 percent, up from the 13-year low of 65.9 percent in the prior quarter, the U.S. Census Bureau said in a report today. It was the only gain in two years. The vacancy rate, measuring empty properties for sale, was 2.4 percent, compared with 2.5 percent in the second quarter, according to the report." Click here for more.

TARP Tells Treasury to Put Pressure on Lenders to Modify Mortgages
Julia Edwards (National Journal – subscription required)
November 3, 2011

"When President Obama began rolling out executive orders to help the economy last week, homeowners were the first beneficiaries—through refinements made in the Making Home Affordable Program. But the reforms ignore a part of the program originally designed to send $22.7 billion in Troubled Asset Relief Program (TARP) funds to delinquent homeowners. The Home Affordable Modification Program (HAMP) has spent only $1.64 billion of that, according to a report released last week, leaving the rest unspent in the Treasury Department while the clock ticks down to the program's end on Dec. 31, 2012. The acting inspector general for TARP, Christy Romero, is calling on Treasury to double its efforts to enroll eligible homeowners in the program."

Regulator rebuts critics on housing help
Margaret Chadbourn (Reuters)
October 29, 2011

"Fannie Mae's and Freddie Mac's regulator on Saturday rejected criticism he was obstructing a housing recovery by taking too narrow a view of his mission to protect the financial health of the two massive, taxpayer-supported mortgage firms." Click here for more.

Nocera - What the Costumes Reveal
Joe Nocera (NTY op-ed)
October 28, 2011

"On Friday, the law firm of Steven J. Baum threw a Halloween party. The firm, which is located near Buffalo, is what is commonly referred to as a "foreclosure mill" firm, meaning it represents banks and mortgage servicers as they attempt to foreclose on homeowners and evict them from their homes. Steven J. Baum is, in fact, the largest such firm in New York; it represents virtually all the giant mortgage lenders, including Citigroup, JPMorgan Chase, Bank of America and Wells Fargo. The party is the firm's big annual bash. Employees wear Halloween costumes to the office, where they party until around noon, and then return to work, still in costume. I can't tell you how people dressed for this year's party, but I can tell you about last year's. That's because a former employee of Steven J. Baum recently sent me snapshots of last year's party. In an e-mail, she said that she wanted me to see them because they showed an appalling lack of compassion toward the homeowners — invariably poor and down on their luck — that the Baum firm had brought foreclosure proceedings against. … Let me describe a few of the photos. In one, two Baum employees are dressed like homeless people. One is holding a bottle of liquor. The other has a sign around her neck that reads: "3rd party squatter. I lost my home and I was never served." My source said that "I was never served" is meant to mock "the typical excuse" of the homeowner trying to evade a foreclosure proceeding." Click here for more.

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Executive Compensation

Krugman - Oligarchy, American Style
Paul Krugman (NYT)
November 3, 2011

"Inequality is back in the news, largely thanks to Occupy Wall Street, but with an assist from the Congressional Budget Office. And you know what that means: It's time to roll out the obfuscators! Anyone who has tracked this issue over time knows what I mean. Whenever growing income disparities threaten to come into focus, a reliable set of defenders tries to bring back the blur. Think tanks put out reports claiming that inequality isn't really rising, or that it doesn't matter. …So who is getting the big gains? A very small, wealthy minority. The budget office report tells us that essentially all of the upward redistribution of income away from the bottom 80 percent has gone to the highest-income 1 percent of Americans. That is, the protesters who portray themselves as representing the interests of the 99 percent have it basically right, and the pundits solemnly assuring them that it's really about education, not the gains of a small elite, have it completely wrong." Click here for more.

A Very Rich Adieu for Nabors CEO
Mark Maremon (WSJ – subscription required)
October 31, 2011

"In one of the largest executive paydays in recent years, Nabors Industries Ltd. is giving its chairman $100 million in cash in a severance-style deal, even though he isn't leaving the company. Eugene M. Isenberg, 81 years old, had been chairman and chief executive of the oil-drilling company since 1987. Late Friday afternoon, Nabors said it was promoting his longtime lieutenant, 57-year-old Anthony G. Petrello, to CEO, but that Mr. Isenberg would keep his job as chairman." Click here for more.

Fannie, Freddie dole out big bonuses
Josh Boak and Joseph Williams (Politico)
October 31, 2011

"The Obama administration's efforts to fix the housing crisis may have fallen well short of helping millions of distressed mortgage holders, but they have led to seven-figure paydays for some top executives at troubled mortgage giants Fannie Mae and Freddie Mac. The Federal Housing Finance Agency, the government regulator for Fannie and Freddie, approved $12.79 million in bonus pay after 10 executives from the two government-sponsored corporations last year met modest performance targets tied to modifying mortgages in jeopardy of foreclosure. The executives got the bonuses about two years after the federally backed mortgage giants received nearly $170 billion in taxpayer bailouts — and despite pledges by FHFA, the office tasked with keeping them solvent, that it would adjust the level of CEO-level pay after critics slammed huge compensation packages paid out to former Fannie Mae CEO Franklin Raines and others." Click here for more.

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Student Lending

TICAS - Average Student Debt Tops $25,000 for Class of 2010 in Tough Job Market
TICAS press release
November 3, 2011

"College seniors who graduated with student loans in 2010 owed an average of $25,250, up five percent from the previous year, according to a new report from the Project on Student Debt at the Institute for College Access & Success (TICAS). The Class of 2010 also faced the highest unemployment levels for new college graduates in recent history: 9.1 percent (still less than half the unemployment rate for young adults with only a high school diploma). Student Debt and the Class of 2010 focuses on graduates of public and private nonprofit four-year colleges who had federal and/or private (non-federal) student loans. It includes lists of high- and low-debt colleges and states." Click here for more.

Obama To The Rescue On Federal Student Loans, But What About Private Loans?
Eva Pereira (Forbes)
November 1, 2011

*"Obama's new student loan relief plan makes federal debt burdens manageable, but what's to be done about private debt? A sizeable chunk of education debt is owed to private lenders, who charge far higher interest rates and promise none of the borrower protections that come with federal loans. As of 2010, there's an estimated $168 billion in outstanding private loans. The new Consumer Financial Protection Bureau (CFPB) aims to make the education lending market much more transparent with its Know Before You Owe project, but for those already knee deep private debt, there is little recourse. Several distressed borrowers shared their private loan struggles on a recent call organized by the **Americans for Financial Reform**, a consumer rights coalition. All were first-generation college students from either single parent or low-income families, who turned to private loans to cover costs for their college education. 'My mom didn't go to college and my school's financial aid office was the only place I could turn for advice. They made the private loans sound like a great deal' said **Stephanie Holstein**. … **Cheri Parrag from Sarasota, FL** took out $30,000 in federal loans and $100,000 in private loans to attend her dream school, NYU. At the time, her parents had just filed for bankruptcy, making them ineligible for federal Parent Plus loans. She turned to private lenders to cover*

*the remaining costs. … **Valisha Cooks** from Los Angeles, CA took out $41,000 in federal loans and $36,000 in private loans to finance her college education. She started at community college, eventually graduating from a for-profit college. As the first woman in her family to attend college, she says, 'I had no guidance growing up. I relied heavily on the financial aid office to tell me how I was supposed to pay for it.'" Click here for more.*

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FTT

Lawmakers to Propose Transaction Tax for Financial Firms Modeled on Europe
Phil Mattingly (Bloomberg)
November 1, 2011

*"Two U.S. lawmakers will introduce measures to impose a transaction tax on financial firms that resembles a proposal released by the European Union. Senator Tom Harkin, an Iowa Democrat, and Representative Peter DeFazio, an Oregon Democrat, will introduce the bills tomorrow in their respective chambers. The bills will give the United States an increased role in the international debate over a transaction tax, which is likely to be discussed at the Group of 20 summit this week in Cannes, France. The lawmakers have the backing of union groups and associations that fought for tighter regulations in the wake of the 2008 financial crisis. **The AFL-CIO and National Nurses United, a professional association and union for nurses, have scheduled a rally in front of the Treasury Department on Nov. 3 in support of the fee. Americans for Financial Reform**, an umbrella group of unions, civil rights lawyers and consumer advocates, is circulating petitions in support of the measure." Click here for more.*

Click here to view the press statement from Rep. DeFazio and Sen. Harkin.

AFR Letter: Support DeFazio and Harkin Financial Transaction Tax Legislation
Click here to read our letter supporting H.R. 3313 presented by Representative DeFazio and click here to read our letter supporting S. 1787 presented by Senator Harkin.

Click here to view the press statement from CEPR.

Nurses join Occupy movement with DC demonstration
Horace Holmes (WJLA – DC)
November 3, 2011

"Thousands of nurses joined the Occupy Wall Street movement in the District on Thursday, marching in front of the White House and the Treasury Department. … The nurses called for politicians to impose a tax on every stock and bond transaction. Tax Wall Street, they say, and help those who are working hard to make ends meet." Click here for more.

Unions, 'Occupy' Call for Financial Transaction Tax
Bloomberg TV
November 3, 2011

"Unions join with 'Occupy Wall Street' movement, marching past the Treasury Department building in Washington, D.C. demanding a financial transaction tax. Karen Higgins with National Nurses United, Larry Hanley with the Amalgamated Transit Union and OWS supporter Shira Destinie Jones are interviewed." Click here for more.

Protesters call on G20 leaders to focus on world's needy, not bankers and financial markets
Associated Press
November 1, 2011

" Thousands of protesters — some naked except for pointed Robin Hood caps — converged Tuesday on the French Riviera, urging the Group of 20 leading economies to focus on spreading global largesse on people instead of saving banks and pleasing financial markets. Police helicopters scanned the sunny coast as a festive crowd marched through Nice accompanied by drumbeats. 'Peasants Before Finance,' ''Life, not the Market' read banners carried by the demonstrators. … Activists from Oxfam took off their clothes but left on their Robin Hood hats as part of their push for a small tax on all international financial transactions that would be used for development aid to poorer nations." Click here for more.

Protesters' rage might give rise to financial transactions tax
Mark Schoeff Jr. (Investment News)
October 24, 2011

*"For weeks, the Occupy Wall Street protest has filled streets and parks in New York, Los Angeles and Hong Kong, as well as other cities. The movement soon may show up in the halls of power, too — or Capitol Hill, to be more precise. Sometime after the Senate comes back into session next week, look for Sen. Tom Harkin, D-Iowa, to introduce a bill that would impose a tax on financial transactions. The size of the levy has not been determined, according to an aide to Mr. Harkin. .. At a Capitol Hill meeting last Friday, several groups promoting such a tax said that its size would be minuscule – likely somewhere between 0.1% and 0.01%, or even less. Supporters said that the tax on purchases of stocks, options, derivatives and other financial instruments potentially could raise $90 billion annually at a time when Washington is desperately looking for ways to reduce the deficit and lower individual tax rates. 'This is an absolutely essential step to address the 99% problem,' said **Damon Silvers, director of policy at the AFL-CIO**, referring to the Occupy Wall Street claim that the movement represents the 99% of Americans whose economic prospects are limited by the 1% who control most of the nation's wealth. 'The financial sector in the United States and worldwide is profoundly undertaxed,' Mr. Silvers said. 'Inherently, any tax on the financial system is a progressive tax.' …But proponents are ready to respond. **Dean Baker, co-director of the Center for Economic and Policy Research**, said that such a tax is being successfully collected in Britain and that it would have little effect on market liquidity or growth. … The role that a financial transactions tax could play in shifting the Wall Street mindset from short-term profits to long-term growth is one of the levy's strongest selling points, according to **John Fullerton, a former managing director at JPMorgan Chase & Co.,** and the founder and president of the Capital Institute. Any effort to move away from short-term thinking to longer time horizons should be welcomed by corporate leaders and make the financial transactions tax more than just a '99%' issue,' Mr. Fullerton said." Click here for more.*

Gates says 'Robin Hood' tax has part to play
Chris Giles in Cannes (FT – registration required)
November 3, 2011

"Bill Gates, the philanthropist and former head of Microsoft, has said that finance for development should be raised from a range of sources, not just the global 'Robin Hood' tax called for by anti-poverty campaigners. France, Germany, aid agencies and the Catholic and Anglican churches have argued that a financial transaction tax (FTT), which would be used to fund development projects, could be the answer to poor countries' problems. … Mr Gates' intervention offers only qualified support for FTT, which continues to be the subject of fierce debate. Critics of the tax argue that it would simply push trade from one financial centre to another. In the G20, Germany and France back the creation of such a tax but the US, Canada, Australia and the UK, among others, reject the need for FTT. On Thursday, France's President Nicolas Sarkozy voiced optimism that agreement on the tax could be reached. 'I think we have a common analysis on how to get the world of finance to contribute to resolving today's crisis,' he said." Click here for more.

The Tax Plan That Occupy Wall Street Loves
Yuval Rosenberg (The Fiscal Times)
October 30, 2011

"The Canadian anti-capitalist magazine Adbusters helped launch the Occupy Wall Street movement this summer when it called for protesters to descend on lower Manhattan on September 17. As the protests spread across the country and overseas – and as Occupiers continue to discuss internally whether they

*should pursue specific demands, and what those demands might be – the magazine once again put out a call to action, urging supporters around the world to take to the streets yesterday to demand a 1 percent "Robin Hood" tax on financial transactions and currency trades. … Supporters say that a small tax on stock and other transactions would curb speculative trading, reduce engineering of complex financial instruments, and raise much-needed revenues, while enacting a measure of financial justice at the same time. In a letter to Sen. Patty Murray (D-Wash.) and Rep. Jeb Hensarling (R-Texas), the co-chairs of the congressional "super committee" tasked with finding $1.2 trillion in deficit reduction measures by November 23, a group called **Americans for Financial Reform**, which is a coalition of more than 250 economic, union, and activist groups, explained why it's backing the tax: 'The deficit problem that the Select Committee must address was to a significant degree created by the world financial crisis, a crisis caused by Wall Street speculation. It is therefore appropriate that we call on Wall Street to help address it. A small tax on financial market transactions has the potential to raise significant revenue and simultaneously limit reckless short-term speculation that can threaten financial stability.'" Click here for more.*

Bottari - Robin Hood Tax Gains Ground at the G-20
Mary Bottari (Common Dreams)
November 4, 2011

"The G-20 meeting in Cannes got underway this week. The sunny beach resort, playground to movie stars and media moguls was an odd choice for a somber G-20 meeting. As President Obama and Treasury Secretary Tim Geithner touched down in Air Force One, the Greek government was on the verge of collapse, austerity was sweeping Europe and the future of the Eurozone in doubt. Much more work needs to be done to get the Obama administration to adopt the idea of a financial transaction tax (aka the Robin Hood tax), even more work to get it though Congress, but the tax now has a growing list of powerful allies and a simple common sense appeal." Click here for more.

Nader - Time For a Tax on Speculation
Ralph Nader (WSJ op-ed)
November 2, 2011

"As protesters have refused to yield in their "occupations" of public places, they have gained momentum and support throughout the country. Yet for Congress it has been business as usual. Elected representatives there have virtually ignored the outrage expressed by protesters on Wall Street and across the country. But the message will keep coming until Congress finally demonstrates that it is listening. A good start would be a tax on financial speculation." Click here for more.

Baker - Supercommittee of the One Percent Won't Even Think of Taxing Wall Street
Dean Banker (Huffington Post)
October 31, 2011

"If anyone still questioned who owns Washington, the Congressional supercommittee charged with reducing projected deficits by $1.2 trillion seems determined to end any doubts. According to press accounts, both the Republicans and Democrats on the committee support a plan to reduce average Social Security benefits by 3 percent. While whacking our parents and grandparents with a big cut in Social Security benefits apparently draws bipartisan support, the supercommittee will not even score a plan to tax Wall Street financial speculation. No committee member from either party is prepared to make a simple request to the Joint Tax Committee of Congress that would allow a speculation tax to be one of the items considered in the mix." Click here for more.

Jones - Tax the One Percent -- Make Wall Street Fund America
Van Jones (Huffington Post)
November 2, 2011

"The giant cries of protest sweeping across the country are starting to reverberate in the halls of Congress. Senator Tom Harkin (D-IA) and Representative Peter DeFazio (D-OR) are proposing a Wall Street Tax. Their bill would establish a tiny financial transaction tax of 0.03% on every single trade of stocks, bonds, options, futures, swaps, and credit default swaps. I think this is a great idea, and Congress should pass the bill. Rebuild the Dream and MoveOn.org started a petition so you can show support for the Wall Street Tax."

Nichols - It's time to tax Wall Street
John Nichols (for the The Capital Times – WI)
November 3, 2011

"The Catholic Church has for many years raised objections to the patterns of globalization, concentration of wealth and economic equality that have encouraged the massive redistribution of wealth upward that has made the rich richer, the poor poorer and the middle class more vulnerable than at any time in generations. And now, as the Occupy Wall Street movement raises the issue of economic inequality, the church is stepping up with a proposal to begin to address the extreme injustice of a system that taxes working people for necessities but allows speculators to avoid even the most basic responsibilities. … The culture-jammers at **Adbusters***, who issued the "Occupy Wall Street" call, are calling on activists worldwide to rally October 29 for a "Robin Hood Tax" on all financial transactions and currency trades.* ***National People's Action (NPA),*** *which refers to the financial transactions tax as a "take from the rich and give to the poor" initiative, is urging Americans to join October 29 rallies to 'Rise Up and Fight for the Robin Hood Tax.' …The linkage between the Occupy Wall Street agitation and the push for a financial transactions tax is being made by several groups that were early and enthusiastic supporters of the protest movement. National Nurses United, which has launched a 'Tax Wall Street' campaign, will rally on the doorstep of the U.S. Treasury Department Nov. 3, calling on Treasury Secretary Timothy Geithner and the Obama administration 'to end lobbying efforts at home and abroad against a Wall Street tax.' 'It is long past time for Secretary Geithner and President Obama to get on board with other world leaders in supporting this common sense approach to raise badly needed revenues to help fund the critical programs we need to revive the U.S. and other global economies,' says NNU Executive Director RoseAnn DeMoro. Signing* ***BanksterUSA's*** *petition to members of Congress along with the* ***NNU*** *are the* ***AFL-CIO; the Service Employees union; the American Federation of State, County and Municipal Employees; the National Education Association; Demos; Rebuild the Dream; National Peoples Action; and Americans for Financial Reform****." Click here for more.*

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Interchange

Bank of America drops $5 debit card fee plan
Rick Rothacker (Reuters)
November 1, 2011

"Bank of America Corp is dropping plans to charge a $5 monthly fee for debit card use, a source familiar with the matter said on Tuesday. The second-biggest U.S. bank becomes the last big bank to backtrack from plans to charge customers a monthly fee for using their debit cards." Click here for more.

Click here to view the press statement from US PIRG's Ed Mierzwinski and **click here** to view the press statement from Consumers Union.

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Other

Report Says New York Fed Didn't Cut Deals on A.I.G.
Binyamin Appelbaum (NYT)
October 31, 2011

"The findings of a federal investigation released Monday raised new questions about the Federal Reserve Bank of New York's handling of the 2008 bailout of American International Group. The report, by the Government Accountability Office, says that New York Fed officials have offered inconsistent explanations for their decision to pay other financial companies the full amounts they were owed by A.I.G., and that some of the explanations were contradicted by other evidence. The report also asserts that the decision to pay the full amounts, rather than seeking concessions as the government later did in other cases, disregarded the expectations of senior Fed officials in Washington and the expressed willingness of some of the companies

to accept smaller payments. In one case, when a company offered to accept a smaller amount of money, officials at the New York Fed responded that they had decided to pay the full amount of the debt, the report said." [Click here for more.]()

One Analyst Is Detailing His 'Fight'
Francesco Guerrera (WSJ – subscription required)
November 1, 2011

"Wall Street is about to find out if the pen is mightier than the sword. A forthcoming book, written in near-total secrecy over the past decade by longtime banking analyst [Mike Mayo](), promises to reopen old wounds and shine a light on how banks behave toward their investor clients. Mr. Mayo is a controversial figure with a reputation as a bruiser with a passion for the limelight, and the title of the book underscores those traits. 'Exile on Wall Street: One Analyst's Fight to Save the Big Banks From Themselves' chronicles Mr. Mayo's 20-plus years working for, and writing about, some of the world's biggest financial firms. In the ensuing 200 pages, Mr. Mayo argues that, when it comes to research, big banks look after themselves first and their clients much later." [Click here for more.]()

Bernanke defends Fed from attacks
Josh Boak (Politico)
November 2, 2011

Federal Reserve Chairman Ben Bernanke on Wednesday called the economic comeback 'frustratingly slow' as he defended the country's central bank from attacks from both the left and the right. 'The pace of progress is likely to be frustratingly slow,' Bernanke said at a news conference, indicating he would be prepared for the Fed to purchase mortgage-backed securities to boost the recovery 'if conditions are appropriate.' Bernanke added that he is ;dissatisfied with the state economy,; sympathizing with the Occupy Wall Street protest movement about the growing levels of income inequality over the past three decades. The best way to address inequality is to create jobs, the chairman said, but 'that's really the only way the Fed can address inequality per se.' [Click here for more.]()

Bernanke and Banks Tested by Latest Market Strains
Jon Hilsenrath and Victoria McGrane (WSJ – subscription required)
November 3, 2011

"Three years after the global financial crisis, and a year after a U.S. regulatory overhaul, the world economy remains vulnerable to hazards that nearly broke the banking system last time. Federal Reserve officials worry that investors could rush out of the $2.6 trillion money-market mutual-fund industry, where millions of Americans park their savings and where the world's banks come for short-term loans. There are still no rules among nations for picking up the pieces after the collapse of a global financial giant. Banks have been on a roller coaster for months. And governments can no longer afford a rescue." [Click here for more.]()

SEC Enforcers Frozen as Internal Watchdog Kotz Unleashes 'Chilling' Probes
Robert Schmidt and Joshua Gallu (Bloomberg)
October 28, 2011

"The U.S. Securities and Exchange Commission's internal watchdog has castigated the agency for missing the Bernard Madoff fraud, spotlighted employees who viewed online pornography and called for a criminal probe into the ethics of the SEC's former top lawyer. His blunt reports have won Inspector General H. David Kotz admiration on [Capitol Hill](), where lawmakers summon him to testify about his efforts to improve what they have criticized as flawed management and oversight at the regulator. At the SEC, it's a different story. While inspectors general are rarely beloved, a backlash against Kotz among staff and managers has grown in intensity and spread to the legal community outside the agency. Now critics led by former SEC Chairman [Harvey Pitt]() say Kotz is undermining the market regulator's effectiveness." [Click here for more.]()

Rivlin - Which Bank Is the Worst?
Gary Rivlin (Daily Beast)
October 25, 2011

"If the Occupy Wall Street protesters want to target a single big bank, which should they choose? The decision wouldn't be easy, given the bad behavior of the country's biggest brand-name banks. We look at the

country's four largest—Bank of America, JPMorgan Chase, Citigroup, and Wells Fargo—and throw in Goldman Sachs, a natural target of any protest. Here's a taste of the deadliest sins committed by the banks, followed by a full account of all the gory details at each bank. Warning: It isn't pretty" Click here for more.

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Upcoming Events

From AFR:

Evaluating The Volcker Rule

Wednesday, November 9th, 9:30 to 1:00

Location – Hart Senate Office Building, Room 902

Presented By: Americans for Financial Reform

You are invited to join Americans for Financial Reform for a discussion of the recently released Volcker Rule proposal. This centerpiece rule of the Dodd-Frank Act is designed to separate risky proprietary speculation from core functions of the financial system, and will affect our largest banks in areas ranging from compensation to investment management. The discussion will feature outside experts as well as key Congressional architects of the rule. Speakers will consider potential benefits of the Volcker Rule for the stability and effectiveness of the financial system and evaluate the strengths and weaknesses of the proposed rule.

Confirmed Speakers

Keynote address: **Senator Carl Levin of Michigan** and **Senator Jeff Merkley of Oregon**

Other participants: **Anthony Dowd**: Chief of Staff, Office of Paul A. Volcker; Former General Partner, Charter Oak Capital Partners, **Nick Dunbar**: Editor of "Bloomberg Risk", author of "Inventing Money: the Story of Long-Term Capital Management" and "The Devil's Derivatives: The Untold Story of the Slick Traders and Hapless Regulators Who Almost Blew Up Wall Street… and Are Ready to Do It Again", **Gerald Epstein:** Professor of Economics, University of Massachusetts at Amherst; Co-Director, Political Economy Research Institute, **William Hambrecht**: Founder, Chairman, and CEO, W.R. Hambrecht & Co., **Kimberley Krawiec**: Katherine Robinson Everett Professor of Law, Duke University Law School; expert on "rogue traders", **Matthew Richardson**: Charles Simon Professor of Applied Financial Economics, New York University Stern School of Business; Editor of "Regulating Wall Street: Dodd-Frank and the New Architecture of Global Finance"

Please RSVP to Erin Kilroy (erin@ourfinancialsecurity.org) at Americans for Financial Reform

From The New Bottom Line: Schedule of Direct Actions Demanding that Wall Street "Pay US Back"

Honolulu	November 5-7	All-day conference kicking off New Bottom Line campaign in Hawaii, clergy leaders speaking at more than dozen Oahu churches. Holding events/actions during Asian Pacific Economic Conference.

SEC

When: Tuesday, November 8 (10 a.m.)
What: Financial Reporting Series Roundtable - See Sunshine Act Notice
Where: SEC Headquarters - 100 F Street NE, Room L-006 (Multipurpose Room) - Washington, DC 20549
Contact: Office of the Secretary - (202) 551-5400

CFTC

No pertinent meetings scheduled as of 11/4/11

FTC

The Federal Trade Commission is holding a series of roundtable events to gather information on possible consumer protection issues that may arise in the sale, lease, or financing of motor vehicles. The first event took place in Detroit, Michigan on April 12, 2011. The FTC's second motor vehicle roundtable took place at St. Mary's University School of Law, One Camino Santa Maria, San Antonio, Texas on August 2 - 3, 2011. **The FTC's third motor vehicle roundtable will take place at the FTC Conference Center, 601 New Jersey Ave., N.W., Washington, D.C., on November 17, 2011. Topics for the third roundtable will include motor vehicle leasing and other issues. Additional information for the third roundtable will be posted on this webpage, when available.**

Having access to a motor vehicle is essential for many consumers to fulfill their daily obligations. It imposes a substantial expense, however, and accordingly most consumers seek to lease or finance the purchase of a new or used car. As the nation's con

Capitol Hill

The House is in recess next week

Senate

Senate Banking, Housing, and Urban Affairs Committee

No pertinent hearings/markups scheduled as of 11/4/11

Senate Committee on Finance

No pertinent hearings/markups scheduled as of 11/4/11

Senate Committee on Agriculture, Nutrition, and Forestry

No pertinent hearings/markups scheduled as of 11/4/11

From CFA:

1. **You are invited to attend CFA's Eighth Annual Consumer Advocates' High-Cost Credit and Payday Loan Summit on Wednesday, November 30 in Washington, DC.** This is a great opportunity to meet with state and national advocates from around the country to learn the latest on research, industry developments, enforcement, and advocacy in the fight against predatory small lending. The Summit features a town-hall meeting with Rick Hackett and staff from the Consumer Financial Protection Bureau as well as expert speakers from national and state groups, enforcement

agencies and law schools. Everyone contributes to the learning at the Summit. We hope you can join us.

If you have new reports, advocacy pieces, cartoons, testimony ---- anything you would like to share with everyone, please send either the document or URL to Sean Naron at CFA, snaron@consumerfed.org.   Deadline for registration and notebook submissions is Thursday November 17!

2. The Consumer Federation of America invites you to participate in our twenty-fourth annual Financial Services Conference, which will be held December 1-2, 2011, at the Embassy Suites Convention Center Hotel in Washington, DC.   Congressman Barney Frank, Congresswoman Judy Biggert, SEC's Chairman Mary Schapiro and David Wessel, Bureau Chief of the Wall Street Journal, have already accepted our invitations to give keynote addresses.

For more information about conference issues, see the attached brochure. For further information on the conference and to register online, please use the link below: Go to website