This Week in Wall Street Reform | April 8 - 14, 2017

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TRUMP ADMINISTRATION & WALL STREET

Gary Cohn's Glass-Steagall Support Is a Trickle-Down Trojan Horse | American Prospect (Justin Miller)
If Cohn and the Trump administration were serious about reinstituting Glass-Steagall-style regulations, they'd get behind the bipartisan bill to enact a truly modern Glass-Steagall backed by Senators Elizabeth Warren and John McCain, which was promptly reintroduced after Cohn's comments.

Don't count on it. Instead, Cohn will likely continue to couch his vague comments about the need for a "21st-century modern Glass-Steagall" with dubious claims about how rolling back regulations and consumer protections will allow banks to provide loans to struggling small-business owners. We've heard this song before. Cohn's statements are not rooted in economics, but are merely a negotiating strategy to secure as much deregulation for his Wall Street comrades as possible. For that, Cohn is, once again, our Trickle Downer of the Week.

Make Financial Reform About Simplicity | Bloomberg View (editorial)
President Donald Trump's top economic adviser -- former Goldman Sachs executive Gary Cohn -- has come out in favor of a radical reform: restoring the Depression-era Glass-Steagall Act, which for much of the 20th century separated bread-and-butter commercial banking from high-octane investment banking.

The thinking behind this proposal is appealing. The basic idea is to narrow the scope of financial activities that taxpayers support through deposit insurance and emergency loans from the Federal Reserve. In principle, this makes a lot of sense. The challenge is to do it in a way that simplifies the overly complex rules that banks and other firms have had to contend with since the Dodd-Frank reforms. Glass-Steagall isn't the best approach.

The problem with having the Fed stand behind deposit-taking firms that also trade in securities and derivatives is that it creates all kinds of distortions. For one, it tends to bloat banks' securities operations, undermining market discipline and putting smaller, more nimble competitors at a disadvantage. Worse, banks' large derivatives businesses present a threat to the deposit insurance system. In a crisis, counterparties can grab cash that would otherwise go toward paying back depositors.

Wall Street CEOs downplay risk of new bank breakup law | Reuters

Glass-Steagall revival doesn't fit Trump agenda | Politico

Big US banks defy calls that they should be broken up | Financial Times

[Senators See Trump Support Giving Glass-Steagall Bill a Chance] | **Roll Call**

[Could Glass-Steagall Crown the Next King on Wall Street?] | **Daily Reckoning**

[Goldman alum Cohn promotes Glass-Steagall-style regs that would help Goldman] | **Washington Examiner**

[The tangled web of Gary Cohn, Goldman Sachs and Glass-Steagall] | **Financial Times**

[Yearning for Glass-Steagall spells need for new bank model] | **Financial Times**

[What Would Be Wrong with Trump Restoring Glass-Steagall?] | **New Yorker (Nicholas Lemann)**
If the Trump Administration and finance's most celebrated Democratic critics come to agreement on Glass-Steagall, should we rejoice? Not necessarily. There is a danger that if the Administration pursues what seems to be its course on Glass-Steagall, it would function as a kind of vaccine that keeps public suspicion of the Administration's closeness to finance at bay.

[Senate's Glass-Steagall Act Revamp Is 'New.' Is It Improved?] | **Benzinga (Elizabeth Balboa)**

[Time To Move On (Again) From Glass-Steagall] | **Forbes (Norbert Michel)**

[Breaking up big banks through Glass-Steagall is an absurd idea] | **The Hill (Bert Ely)**

[Breaking up the big banks is not a job for the government] | **The Hill (David D'Amato)**

[Cohn vows big push to get 'cohesive' tax plan done in 2017] | **Spokesman-Review**

[Trump turns to CEOs amid White House turmoil] | **Politico**

[CEOs gaining power in Trump's White House] | **Politico**

[Bank Lending Stalls on Doubts About Trump's Pro-Growth Agenda] | **NY Times**

[Congress goes on break, Trump awaits big progress on agenda] | **Washington Post**

[Trump's Secret Weapon Against Obama's Legacy] | **Politico**

[JPMorgan tops forecasts on record investment bank revenues] | **Financial Times**
A record first quarter for the investment banking unit at JPMorgan Chase was offset by a more sluggish performance from the retail division, suggesting that the ascent of Donald Trump has so far done more for Wall Street than Main Street.

"The results from JPMorgan, the biggest bank in the US with over $2.5tn in assets, tend to be closely watched as a barometer of the health of the American economy. Shares in the New York-based bank have risen about one-quarter since the presidential election in November, as investors have warmed to Mr. Trump's promises of higher interest rates, lower taxes and lighter regulation toward the financial sector

Democratic U.S. senator questions Deutsche Bank over Trump | Reuters
"I write to you with great concern regarding conflicts of interest between Deutsche Bank and the President of the United States and how these conflicts may impact ongoing investigations and regulatory oversight of your institution," Senator Chris Van Hollen wrote in a letter addressed to the chief executive of Deutsche Bank USA, which he released to the public.

US Senator presses Deutsche Bank for details of Trump loans | The Guardian

You Pay Your Fair Share. Shouldn't Wall Street? | Other Words (Sarah Anderson)
Nine of the largest and most profitable U.S. banks paid an average federal tax rate of only 18.6 percent between 2008 and 2015, according to a new paper co-published by the Institute for Policy Studies and several tax and Wall Street reform groups. By using various loopholes, these banks avoided paying about $80 billion that could've gone towards urgent public needs, like fixing our crumbling infrastructure and expanding pre-K programs. Under Trump's plan, tax-dodging banks would pay even less. The official rate would drop to 15 percent, and they'd still benefit from loopholes that would let them pay even lower rates.

CONGRESSIONAL ATTACKS ON FINANCIAL REFORM

Hensarling unveils CHOICE Act changes, will introduce this month | Politico

Republicans propose drastic overhaul of Dodd-Frank and CFPB | Housing Wire

Progressive groups call on Senate Banking to preserve Dodd-Frank gains | Politico

Congress needs CBO to crunch the numbers on Dodd-Frank repeal | The Hill (Salim Furth and Norbert Michel)

NOMINATIONS

A Trump Nomination Shows He's Serious About Deregulation | Wall St Journal (Susan Dudley)
President Trump on Friday reinforced how serious he is about reforming the regulatory state by nominating Neomi Rao to head the Office of Information and Regulatory Affairs. The OIRA administrator, or "regulatory czar," is the ultimate policy wonk. Ms. Rao, a respected legal scholar with experience in all three branches of government, is ideally suited to the job.

White House names Neomi Rao as next 'regulatory czar' | Washington Post

CONSUMER FINANCE & THE CFPB

The CFPB and Dodd-Frank Could Face another Congressional Threat | Pay Before

Bankers urge Crapo, Brown to back CFPB commission | Politico

PHH Rejects Trump Bid For Power To Fire CFPB Director | Law360
The mortgage servicing firm challenging the Consumer Financial Protection Bureau's leadership structure has said that giving the U.S. president the power to fire the bureau's director at will

would not make the bureau constitutional, putting the firm at odds with the Trump administration and the CFPB.

‘You’re Fired,’ Trump Should Tell Richard Cordray | Wall St Journal (David B. Rivkin Jr. and Andrew M. Grossman)

Democrats defend CFPB’s constitutionality in legal brief | Compliance Week

Dodd-Frank fight sends dangerous cues to watch dogs | BreakingViews

Is the CFPB accessible or remote? Depends on who's talking | Automotive News

Americans need protection from the Consumer Financial Protection Bureau | TribTalk (Rep. Jeb Hensarling)

Consumer agency works for ‘forgotten Americans’ | Central Maine
Who’d benefit from a neutered Consumer Financial Protection Bureau? Not just the financial sector but also the politicians who barraged Cordray with questions and often-vague accusations at what was supposed to be a routine Financial Services hearing Wednesday, including Committee Chairman Jeb Hensarling of Texas and Ann Wagner of Missouri, as well as Maine’s Poliquin.

Hensarling, Wagner and Poliquin each have received hundreds of thousands of dollars in contributions from the financial, insurance and real estate sector. Undoubtedly, so have their committee colleagues, given how much all politicians depend on the finance industry to fund their campaigns. Everyone wins except ordinary Americans — and dismantling the bureau will take away the only champion they have in Washington.

New report shows victims of aggressive tactics from medical debt collectors | U.S. PIRG
The latest report, Medical Debt Malpractice, explores consumer complaints about medical debt, a major source of problems for consumers, since medical debt items on credit reports are often wrong or about the wrong consumer. The report also demonstrates the need to defend the CFPB from partisan and special interest attacks. Medical debt collectors often employ aggressive tactics and attempt to collect debt from the wrong customers – putting consumers' credit records at risk. Medical debt accounts for more than half of all collection items that appear on consumer credit reports.

Recognizing medical debt is both often mistaken and not a good indicator of future creditworthiness, leading credit score companies have begun to remove it from credit scores, but it still appears in credit reports….The group noted powerful special-interests continue to spend many billions -- $2 billion on lobbying and campaign donations in 2015-2016 alone, according to the PIRG-backed **Americans for Financial Reform**, to weaken the CFPB and all of the Wall Street reforms enacted in 2010.

Banks and credit card companies really hate class-action lawsuits. Will Trump help to outlaw them? | LA Times (Michael Hiltzik)
Sometime in the next few weeks, the Consumer Financial Protection Bureau is expected to impose stringent limits on the ability of banks and credit card companies to avoid consumer lawsuits.

The financial services industry has been screaming bloody murder about the CFPB’s plan. You can expect the Republican majorities in Congress, and President Trump, to see things their way and block the proposed rule. You can also expect consumer advocates not to roll over quietly. "We're all preparing for a big fight," says Amanda Werner, who has been keeping an eye on the CFPB rule making for the consumer groups Public Citizen and **Americans for Financial Reform**.

CFPB Faces 'Rock and a Hard Place' in Pushing Arbitration Rule | **National Law Journal**
"We've shifted from talking to folks at the CFPB and are now focusing on preserving what we can by not having the [Congressional Review Act] challenge be successful," said Amanda Werner, a campaign manager for Public Citizen and **Americans for Financial Reform**. "We're trying to talk to lawmakers and make them realize this is something the American people are not going to tolerate."

CUNA asks Congress to direct CFPB to exempt credit unions from rules | Politico

Hayashi's Take: Votes on CFPB's Prepaid Rule Carry Deeper Meaning | Wall St Journal (Pro)

AGs ask Congress not to abolish protections for prepaid debit card users | Consumer Affairs

Congress should preserve rules that protect consumers using prepaid cards | The Hill (Karl Racine)

Hollingsworth and resolutions | Herald Times

Fintech group sends policy suggestions to Senate Banking Committee | Politico

CFPB, Justice Asked For Views On Unused Sprint Deal Dollars | Law360

Tribal Lenders Ask 9th Circ. To Pause OK Of CFPB Probe | Law360

Criticism lingers over CFPB's handling of auto lending | Automotive News

Some see bills on lending fees, pawn deals as contradictory | Arkansas Online

Class action lawsuit could mean cash for payday lender customers | WFTV9
An Orlando grandmother is taking on a big payday lender claiming its sky high interest rates violate Florida law and creates dangerous debt traps. Her class action lawsuit started 20 years ago but it just passed a major hurdle. Wendy Betts was drowning in payday loans due every two weeks. "It was a nightmare, I didn't know what to do," said Betts, "It was a lonely time for me." She had just moved to Orlando, her husband lost his job. "We were just trying to get our feet back on the ground, I had taken a salary cut," said Betts. Payday loans seemed her only option. It's a short term loan due every payday. Most customers can only afford to pay the interest so the loan doesn't go away. Thousands of additional customers are not covered by this class action. Their contracts had a binding arbitration clause taking away their right to sue.

Pawnshop Advisory Bulletin: Military Lending Act Rule | Texas Office of COnsumer Credit Commissioner

Plenty More Villains at Wells Fargo | NY Times (Editorial Board)

[Wells Fargo to Claw Back $75 Million From Former Executives] | NY Times

[Wells Fargo claws back $75m in bonuses over sham accounts] | Financial Times

[Wells Fargo's board takes back $75M more in stock from 2 executives at center of sales scandal] | Charlotte Observer

[Wells board: Sales practice abuses persisted for over a decade] | Politico

[Wells Fargo faces continued fallout from sales practice scandal] | Politico

[Wells Fargo says failure on 'living will' test hurting trading revenues] | Reuters

EXECUTIVE COMPENSATION

Credit Suisse Leaders Cut Their Bonuses 40% After Backlash | Bloomberg
Credit Suisse Group AG leaders including Chief Executive Officer Tidjane Thiam offered to have their bonuses cut by 40 percent after a growing number of investor advisory groups opposed the packages ahead of this year's annual meeting.

FEDERAL RESERVE

Trump Administration Narrows List for Fed Regulatory Post | NY Times
A former U.S. Treasury official in the George W. Bush administration, a veteran banking lawyer, and a Harvard professor are three leading candidates as the Trump administration looks to fill the post of Federal Reserve vice chair in charge of banking oversight, people familiar with the matter said. Treasury Secretary Steven Mnuchin told the Wall Street Journal on Wednesday that the administration was "very close" to filling the regulatory post, which will play a critical role in President Donald Trump's efforts to revamp regulation of the financial sector.

Trump won't rule out second Yellen term, signaling drift to the mainstream | Reuters

Trump praises Yellen, could renominate her | Politico

HEDGE FUNDS AND PRIVATE EQUITY

Morgan Stanley compliance chief Fenrich leaving for hedge fund | Reuters

Why You Shouldn't Judge a Hedge Fund by Its Name | Bloomberg

Private equity GPs get bolder in settlement negotiations with SEC | Buyouts

INVESTOR PROTECTION AND THE SEC

SEC wins insider trading case in which 'Newman defense' is rejected | Reuters
Insider trading cases are often interesting real-life crime stories with colorful tales of romance, naivety, and traders looking for an edge. The allegations, settled cases, and sometimes courtroom drama are often fit-for-Hollywood scripts. A recent case involving a Boston-area

couple charged with insider trading includes all of these but also displays the ability of the U.S. Securities and Exchange Commission (SEC) to piece together the evidence and prevail. The victory also highlights the regulator's continued ability to successfully prosecute after a U.S. appeals court's 2014 "Newman decision" which clouded the consideration of liability for the receipt of insider information and arguably made these cases more difficult to bring. In this case, one defendant quickly acknowledged her wrongdoing while the other defendant, her romantic partner, unsuccessfully tried to defend himself using the Newman case as a basis for his self-defense.

The $90 Billion Investor Who's Out to Fire Wall Street | Bloomberg

Regulators find lots of 'fake news' aimed at stock investors | Washington Post
"Fake news" is not limited to presidential politics and conspiracy theories. Investors also have to be on the alert for stock promotions masquerading as unbiased reports online. Federal regulators have brought civil fraud charges against 27 businesses and individuals for deceiving investors into believing what they were reading on websites were independent, impartial analyses of stocks. The writers were secretly paid for writing the bullish articles, the Securities and Exchange Commission said Monday. More than 250 articles had false statements attesting that the writers hadn't been compensated by the companies they were writing about, the agency said in a series of orders and lawsuits. One writer was said to have used at least nine pseudonyms as well as his own name. One of the phony identities was "an analyst and fund manager with almost 20 years of investment experience." By law, a company paying someone to publish or publicize articles about its stock must publicly disclose the payments.

Companies Get More Leeway on SEC 'Conflict Minerals' Rule | Wall St Journal
The Securities and Exchange Commission's acting chairman has given companies more leeway on a rule that requires them to monitor the use of minerals that could benefit armed groups in Africa. The "conflict minerals" regulation has divided Republicans and Democrats since Congress put the requirement into the 2010 Dodd-Frank financial-overhaul law. The SEC issued the rule, but a court struck down part of it in response to an industry lawsuit.

In early test for Gorsuch, high court to hear key SEC case | Politico

5 Things Mutual-Fund Investors Should Know About Mutual-Fund 'T' Shares | WSJ

SEC cracks down on stock ads presented as news articles | The Hill
The Securities and Exchange Commission (SEC) filed charges Monday against more than two dozen businesses and individuals that produced sponsored articles promoting stocks that were presented as unbiased, objective analysis. The SEC filed fraud charges against three public companies, seven public relations firms, two executives, six individuals and nine writers, the agency announced Monday. All are alleged to have helped plant positive stories about stocks on popular financial news websites without revealing that the articles were actually advertisements paid for by the traded company.

Senator Warren aide said to be in running for SEC job | Reuters

Adviser Bashes SEC's 'Tortured' Disgorgement Arguments | Law360

Material-Event Disclosures Under New SEC Proposal | Law 360

MORTGAGES, FORECLOSURES & HOUSING

Consumer bureau proposes new mortgage disclosure rule | The Hill
The Consumer Financial Protection Bureau (CFPB) is proposing new mortgage requirements. Stemming from a Dodd-Frank requirement, many of the changes to the Home Mortgage Disclosure Act (HMDA) rule are scheduled to go into effect in 2018. But the CFPB proposed Thursday to "clarify" what sort of information lenders must collect from borrowers as well as from people who apply for a home loan but are rejected. The information could help the CFPB determine lending patterns in different neighborhoods.

ABA asks Senate Banking to ease mortgage rules, stress tests | Politico

In heated meeting, HUD tells Cairo public housing residents they have to move | The Southern Illinoisan

DeMarco to lead Housing Policy Council | Politico

CFPB: Mortgage complaints hold steady | **Scotsman Guide**

REGULATION IN GENERAL

White House asks court to dismiss suit over regulation repeals | The Hill
The Trump administration is asking a federal court to dismiss a lawsuit over its executive order requiring agencies to repeal two rules for each new regulation they issue. Government lawyers argued in a court filing Monday that opponents of the order "ignore a 40-year history of presidential executive orders directing agencies … to revise or repeal regulatory requirements that are not necessary or cost justified." The administration says the president has the power to issue an order requiring agencies to cut regulations as Trump did. The lawyers said the plaintiffs in the case — Public Citizen, the Natural Resources Defense Council and the Communications Workers of America — filed a premature claim because the administration has yet to actually end any regulations the way the order mandates.

The War on Regulation | American Prospect

Congress Has A Month To Roll Back Obama-Era Legislation; What Remains On The Chopping Block | Benzinga

Congressional Review Act Attacks on Public Protections | Public Citizen (video)

Rolling back red tape and unleashing economic growth | M Live (Rep. Tim Walberg)

Trump Is Paying Back Corporations by Wiping Out Regulations | Roll Call (Lisa Gilbert)

Trumping State Regulators and Juries | American Prospect (Thomas McGarity)
In the wake of the 2016 elections, many progressives have sought solace in the prospect of resisting Trump administration initiatives and advancing progressive goals in blue states. Conversations about how progressive states should resist regressive Trump administration policies and sidestep Republican control of Congress often ignore the elephant in the room—the power of the federal government to preempt state regulations and even the ability of victims of corporate abuse to seek relief in state courts.

Donald Trump's pledge to "create jobs" by eliminating regulations won't create jobs | Salon

When Cities Regulate The Regulatory Review | The Reg Review (Evan Marolf)

Key Ingredient in Trump's 2-for-1 Exec Order? Fuzzy Math | Progressive Reform Blog (James Goodwin)

RETIREMENT SECURITY & FIDUCIARY DUTY RULE

Tony Robbins: Why the Fiduciary Rule Matters | Time
For author and business strategist Tony Robbins, this lack of regulation around investment advice can be "disgusting." In some cases, Robbins said, advisors are dual-registered as both fiduciaries and brokers, making it unclear whether they are obligated to act only in their clients' best interest. "They tell you what funds to get, but it's really their funds, and they're getting a chunk of money out of it, which means you're making less. It's disgusting," Robbins said in a recent interview with MONEY… The delay on the fiduciary rule is a prime example of the ways he said investing professionals are not always on their client's side.

"Your lawyer is required by law to be a fiduciary — they have to put your needs ahead of their own. If [someone] finds out otherwise, they're going to be disbarred," he said. "Same thing for medical doctors. In the U.K., in Australia, in many countries, financial advisers have to put your needs ahead of their own." But America is "unique," Robbins said.

Labor's delay of retirement advisers rule could add to 'regulatory budget' | The Hill

New Retirement Rule Is Delayed, but Not Its Impact | Wall St Journal

5 Things To Know About Trump's Delay Of The Financial Adviser Rule | NPR

Fiduciary Rule Opponents | Wall St Journal

Investors Can Go After 'Fiduciary' Advisers Even if DOL Doesn't | Bloomberg

The Fiduciary Rule Is Delayed. So Now What? | Wall St Journal

Why many financial advisers aren't worried about posting anti-Trump opinions | Market Watch

JPMorgan Chase's Jamie Dimon knows what the problems are | Pittsburgh Post Gazette
U.S. Sen. Elizabeth Warren, D-Mass., AFL-CIO President Richard Trumka, and two consumer groups started the counter the next day. They estimate the conflicted advice that investment advisers can offer because of the delay will cost Americans $46 million a day, $1.9 million per hour, and $532 per second.

The projections are based on estimates the White House Counsel of Economic Advisers made under then-President Barack Obama. Proponents of the standard say that without it, investment advisers can safely steer clients to more costly, poorer performing investments that pose greater risks and reward advisers with larger commissions. Over 30 years, the conflicted advice means a retiree will run out of money five years sooner than someone who received unconflicted advice, proponents of the measure says.

Why Your Financial Adviser Can't Be Conflict Free | Wall St Journal (Jason Zweig)

Fiduciary rule's delay triggers new headaches for firms | Financial Planning

Democrats try to save city retirement plan rule | Benefits

How the financial industry can succeed in our world of uncertainty | The Hill (Bjorn Forfang)

DOL faces tough road in revising or repealing fiduciary rule | Investment News

It's the Fiduciary Standard That Matters: NOT the Rule | IRIS

Fiduciary Rule Delay. What Does it Mean For You? | Bankrate

Mutiny? Obama holdovers at Labor in "open rebellion" against Trump | Hot Air

State insurance commissioners consider strengthening annuity sales rules | **Investment News**

Many IRAs Include Impartial Contract Standards as "Implied Term" | Scholarly Financial Planner (Ron Rhoades)

STUDENT LOANS & FOR-PROFIT SCHOOLS

Loans 'Designed to Fail': States Say Navient Preyed on Students | NY Times
In recent months, the student loan giant Navient, which was spun off from Sallie Mae in 2014 and retained nearly all of the company's loan portfolio, has come under fire for aggressive and sloppy loan collection practices, which led to a set of government lawsuits filed in January. But those accusations have overshadowed broader claims, detailed in two state lawsuits filed by the attorneys general in Illinois and Washington, that Sallie Mae engaged in predatory lending, extending billions of dollars in private loans to students like Ms. Hardin that never should have been made in the first place.

Betsy DeVos Is Rolling Back Student Loan Regulations From the Obama Administration | Teen Vogue
"In order to have accountability, there must be real consequences when servicers violate the law," Alexis Goldstein, senior policy analyst at the progressive **Americans for Financial Reform**, told the Tribune. "DeVos' actions today moves us away from true accountability, and creates dangers for the very student loan borrowers the department is responsible for protecting."

Betsy DeVos rescinds protections for student loan borrowers | Think Progress

DeVos Withdraws Protections For Student Loan Borrowers | Consumerist

DeVos Just Put Interests of 'Predatory Profiteers' Over Student Loan Borrowers | Common Dreams

Betsy DeVos reverses Obama-era directives aimed at protecting student loan borrowers | Market Watch
"Undoing these memos is a very concerning indication of how much (Department of Education officials) value protecting borrowers versus how much they want to insulate servicers," said Alexis Goldstein, a senior policy analyst at **Americans for Financial Reform**. "Is this meant to be a message that says we are less concerned with borrowers and more concerned with protecting servicers even if they made mistakes in the past?"

DeVos dials back consumer protections for student loan borrowers | Washington Post
Education Secretary Betsy DeVos on Tuesday withdrew a series of policy memos issued by the Obama administration to strengthen consumer protections for student loan borrowers. I think Alexis got quoted in the Post as well?

"In order to have accountability, there must be real consequences when servicers violate the law," said Alexis Goldstein, senior policy analyst at the progressive **Americans for Financial Reform**. "DeVos's actions today moves us away from true accountability, and creates dangers for the very student loan borrowers the department is responsible for protecting."

DeVos scraps Obama's overhaul of federal student loan servicing | Politico

Betsy Devos: Student Loan protections Withdrawn by new Education Secretary | Inquisitr

After another college closure, American Legion implores Congress to protect student veterans | Stars & Stripes
"It continues to be a shame that there are no federal regulations that allow these student veterans to restore their lost benefits or seek remedy for their financial hardship," American Legion National Commander Charles Schmidt said in a statement.

The U.S. Department of Education notified Westech in December of a change to how it could access government funds, the LA Times reported. The school would have to dole out financial aid to students on its own, and then apply for reimbursement. The college posted a note to the door of one of its locations this week stating it had exhausted its funding supply and "can no longer maintain the business," according to the San Bernardino Sun.

The American Legion said the school "abandoned" the 31 student veterans, who will now be cut off from their monthly housing stipends.

Nursing Students Cry Foul At Schools' New Testing Rules | Huffington Post

U of Phoenix-HBCU Partnership Expands | Inside Higher ED

SYSTEMIC RISK

Regulating Wall Street: Choice Act v Dodd-Frank | NYU Stern School
The essays find constructive elements in the CHOICE Act, and in places we agree with its conclusions and policy recommendations. We also agree with the need to streamline and prune the overly complex regulations that have emerged in the wake of DoddFrank.3 However, the most glaring shortcoming of the CHOICE Act is that it does not recognize the central role of systemic risk. In the end, the CHOICE Act would exacerbate the too-big-to-fail problem by eliminating both the designation of SIFIs and financial market utilities (FMUs), and by prohibiting temporary government lending for resolving failed SIFIs…

Of at least equal concern are the issues that the CHOICE Act does not touch: housing finance, de facto (shadow) banking, the complex structure of U.S. regulators, and cross-border regulatory issues. In the end, one has to evaluate the CHOICE Act by asking whether the future of the financial system would be safer and more stable under it or with Dodd-Frank—even in its current form. We think the CHOICE Act would increase the riskiness of our financial system.

Banks pitch Luetkemeyer bill to Senate Banking panel | **Politico**
The bill would enlist the Financial Stability Oversight Council to pick which banks should be subject to stricter regulation based on criteria including size, activities and interconnectedness. The House passed the bill for the first time in December. The Senate has never taken it up, though Crapo has indicated he supports the concept. Brown's state is home to regional banks lobbying for the bill, and when Democrats controlled the Senate he chaired a hearing that explored some of the underlying issues.

ABA urges Mnuchin to advocate simpler capital rules | Politico

Insurers ask Senate to defang, restructure FSOC | Politico

Foreign banks say stricter regulation should be based on risk | Politico

OTHER TOPICS

Barclays C.E.O. Investigated Over Treatment of Whistle-Blower | NY Times
The British banking giant Barclays is again facing questions about its leadership just as its efforts to turn itself around in the aftermath of the 2012 Libor scandal are starting to take shape. The bank said on Monday that its American chief executive, James E. Staley, was being investigated by the British authorities after he sought to learn the identity of a whistle-blower.

Mr. Staley had called on the bank's internal security team to try to uncover the identity of the whistle-blower in an "honestly held" but "mistaken" belief that he had clearance to do so, Barclays said in a statement. Its security team even received assistance in that effort from a "United States law enforcement agency," the bank said. The bank said it would formally reprimand Mr. Staley and make a "very significant compensation adjustment" to his bonus after the investigators completed their work.

Barclays CEO Is Probed Over Bid to Unmask Whistleblower | Wall St Journal

Loan growth stalls despite profit, trading gains at some U.S. banks | Reuters

Banks see 'new normal' for compliance; costs steady for all but Wells Fargo | Reuters

Trump wants regulations streamlined in infrastructure bill | Washington Post