Americans for Financial Reform

This Week in Wall Street Reform | Feb 3 - 9

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THE TRUMP ADMINISTRATION, CONGRESS AND WALL STREET

Banks poised for windfall as regulators move to ease rules | Politico
Federal agencies are plotting a course to simplify rules imposed on banks since the financial crisis, a move that could result in a windfall for the lenders and more freedom to choose what to do with their newfound cash. Republicans and industry officials argue that the changes will boost economic growth by sparking more lending and expansion by banks. Progressive Democrats and consumer groups worry that the revisions may feed into a new crisis. Regulators — for now — are only discussing easing rules within the confines of the 2010 Dodd-Frank Act, saying the sweeping law has increased the safety of the financial system and given banks a better handle on their own risks. But the effect of these and other changes being contemplated could be far-reaching.

Beware of the bank deregulation Trojan horse | The Hill (Jeremy Kress)
When Senate Banking Committee Chairman Mike Crapo (R-Idaho) speaks about S.2155, he focuses on community bank regulatory relief and enhanced consumer protections. That is because he does not want the American public to know what else is inside the bill. The core of S.2155 repeals important post-crisis reforms and leaves the U.S. financial system vulnerable to another crash. The Senate must stop this Trojan Horse before it enters the city gates.

Raising Sifi Threshold To $250b Ignores Lessons Of Past Crises | American Banker (Arthur E. Wilmarth Jr.)
History suggests that the Senate Banking Committee's proposal to raise the asset threshold for applying heightened regulatory standards to large banks goes too far.

The committee recently approved a bill that would increase the asset threshold for systemically important financial institutions from $50 billion to $250 billion. While Congress would be justified in raising the $50 billion line to $100 billion, the proposed $250 billion figure is much too high and would undermine the Federal Reserve Board's ability to regulate SIFIs effectively under the Dodd-Frank Act**.**

See **AFR summary and talking points** on S 2155.

8 Stocks To Play The Bank Deregulation Bill | Benzinga
Height Securities said Tuesday the firm fully expects the Senate to pass this new bill and named several financial institutions that are poised to benefit: SunTrust Banks, Inc. (STI), American Express Company (AXP), Ally Financial Inc (ALLY), Citizens Financial Group Inc. (CFG), Fifth Third Bancorp (FITB), Regions Financial Corp (RF), and Zions Bankcorp (ZION).

Misdeeds force megabanks to engage in stealth lobbying | American Banker
“The public focus on bashing big banks has decreased, but I don’t think there’s any increased public affection — or political affection — for big banks,” said Brandon Barford, a partner at Beacon Policy Advisors.

It’s notable that the Senate’s regulatory relief package, spearheaded by Banking Committee Chairman Mike Crapo, R-Idaho, along with a handful of moderate Democrats, has marketed itself as focusing almost exclusively on helping community and regional banks.

Yet those on the left have still criticized the bill as a “bailout" for Wall Street — even if that’s not actually the case. Last week’s news is likely to further that narrative, although the bill does not appear to do anything to help the bank directly. Wells is “likely to become a bloody shirt in any campaign to derail the Crapo bill,” Brian Gardner, a policy analyst at Keefe, Bruyette & Woods said Monday in a note to clients.

Senate panel clears three Trump financial regulatory nominees | The Hill

Bipartisan bank regulation reform will help Delaware: Delaware Voice | Wilmington News-Journal (Sarah A. Long)
The proposed legislation didn’t dominate the news cycle or fill the front pages, but if it can clear Congress, it promises to spur economic growth and job creation in Delaware and across the country.

Delawareans should be rooting for this bill and thanking U.S. Senators Tom Carper and Chris Coons, who announced their support for this bipartisan legislation authored by Senate Banking Committee Chairman Mike Crapo (R-Idaho) and Senator Mark Warner (D-Va.). This shows what Congress can do when lawmakers of different parties, in good faith, work together to solve real problems — in this case, enhancing consumer protections and reducing regulatory burdens on community banks and credit unions, without compromising safety and soundness.

CONSUMER FINANCE AND THE CFPB

Appeals court CFPB ruling a big win for consumers | The Hill (Paul Bland, Jr.)
In 2016, a panel of three judges of the U.S. Court of Appeals for the D.C. Circuit held that the structure of the Consumer Financial Protection Bureau (CFPB) was unconstitutional.
The CFPB has a single executive (unlike some agencies, which are headed by a multi-person commission), and the CFPB’s head can only be removed by the president for a good cause, not just any political reason. The panel found that this was an infringement upon the president’s proper constitutional powers.

Wednesday, the D.C. Circuit voted 7-3 in an *en banc* decision (meaning the entire court heard the case, not just three members picked at random) to overturn the panel and held that the

CFPB's structure is indeed constitutional. The decision of the full court, in an opinion by Judge Cornelia Pillard, tells us something very important about other challenges to the current leadership of the CFPB — that it is essential (and the Congress that passed Dodd-Frank considered that it was essential) that the bureau be independent.

Hopefully, this conclusion — that the CFPB must be independent — will help with legal challenges to the current, industry-co-opted and politically driven leadership to the agency.

See AFR summary of Second Circuit ruling.

Mulvaney to Move CFPB's Consumer Response | InsideARM, 2/5/18

The Congressional Review Act: A Damage Assessment | American Prospect (Thomas McGarity)
Protections that in many cases were years in the making are now effectively lost forever. The disapproved regulations would have protected real people from serious risks. Many of the resolutions advanced the economic agendas of narrow special-interest groups, and some advanced the ideological agendas of the Tea Party wing of the Republican Party.
Although it is unlikely that an executive branch agency will promulgate a regulation that attracts a joint resolution of disapproval during the remainder of the Trump administration, the independent Consumer Financial Protection Bureau (CFPB) has promulgated two final rules during the Trump administration that have attracted CRA joint resolutions, one of which has recently passed.

Mick Mulvaney Is Turning The CFPB Into The "Corporate Fraud Protection Bureau" | Public Justice
In September, Equifax – one of the three credit reporting giants with unparalleled access to the personal information of Americans, including social security numbers – revealed that it had been hacked and that the personal data of 143 million Americans had been stolen.

In the days after the news broke, those trying to find out whether they had been affected, and those signing up for a free Equifax identity theft protection program, were both led to believe that they were waiving their right to participate in a class action against Equifax by doing so…

The CFPB has become the "Corporate Financial Protection Bureau" | RealBankReform
U.S. Senator Jeff Merkley yesterday warned that Mick Mulvaney's actions as the unlawful acting head of the Consumer Financial Protection Bureau is destroying the bureau's ability to stop predatory lending – the infamous "debt trap."

"The CFPB has become the 'Corporate Financial Protection Bureau' under Mick Mulvaney as it abandons efforts to stop the debt trap," Merkley said in a call with reporters.

Merkley spoke on a call organized by the Center for Responsible Lending and **Americans for Financial Reform**. Merkley was joined by Rev. Willie Gable Jr., head pastor at the Progressive Baptist Church in New Orleans, Yana Miles, senior legislative counsel at the Center for Responsible Lending, and Jose Alcoff, from the Stop The Debt Trap campaign… Mulvaney needs to let the consumer bureau do the excellent job it did under the previous director. "Trump needs to nominate a director with a track record of protecting consumers, one who can earn bipartisan support in the Senate," Alcoff said.

See statement by Americans for Financial Reform and joint statement by Senator Jeff Merkley (D-Ore.), Rev. Willie Gable Jr., Yana Miles of the Center for Responsible Lending, and José Alcoff of AFR.

Otting praises Mulvaney's moves as CFPB head | Politico Pro
Comptroller of the Currency Joseph Otting today endorsed a number of controversial moves made by acting CFPB Director Mick Mulvaney, including reconsideration of the consumer watchdog's payday lending rule.

Otting's remarks come after he met with Mulvaney to discuss coordinating "to make supervision more efficient and to ensure banks continue to treat customers fairly and comply with laws and regulations..."

"I have been impressed with Mick's leadership and emphasis on operational efficiency and excellence," Otting said in a statement. "I share his willingness to reevaluate practices and programs that result in regulatory overreach and unnecessary burden that adversely affect banks' ability to serve their customers." He highlighted his support for Mulvaney's decisions to delay implementation of the CFPB's Home Mortgage Disclosure Act rule, reconsider the payday lending rule and defer action on additional rules "until completing a more thorough review."

CFPB seeks comment on how it does enforcement | PoliticoPro
CFPB is seeking comments from the public and industry on its enforcement processes and whether any changes are needed.

The bureau will announce a request for information for its supervisory practices next week, according to a release. It's part of acting Director Mick Mulvaney's "call for evidence to ensure the Bureau is fulfilling its proper and appropriate functions to best protect consumers."
A CFPB spokesperson did not immediately respond to a request for further comment.
The bureau is particularly interested in "how best to achieve meaningful burden reduction or other improvement to the processes used by the Bureau to enforce Federal consumer financial law (enforcement processes)."

Consumer Advocates Explain Crucial Public Interest In a Strong CFPB | US PIRG
The U.S. Consumer Financial Protection Bureau's (CFPB) independence from external political influence is crucial to the agency's mission of protecting consumers, 10 groups told a court today in an amicus brief filed in the U.S. Court of Appeals for the District of Columbia Circuit.

The groups are Public Citizen, **Americans for Financial Reform**, Center for Responsible Lending, Consumer Action, National Association of Consumer Advocates, National Consumer Law Center, National Consumers League, National Fair Housing Alliance, Tzedek DC, and U.S. Public Interest Research Group Education Fund.

How the payday lending industry shapes academic research | American Banker (Kevin Wack)
In 2015, the Campaign for Accountability filed open-records requests with four public universities, including Kennesaw State and Arkansas Tech University, where industry-financed research on payday lending had been conducted.

In response, Arkansas Tech released a large trove of emails between an economics professor who co-authored the study, Marc Fusaro, and the Consumer Credit Research Foundation. The Campaign for Accountability subsequently published a report titled “Academic Deception” based on what it found in the emails.

“While the payday loan industry purports to rely on outside experts to support its position that payday loans are not responsible for plunging millions of Americans into a never-ending cycle of debt, that expertise really has been bought and shaped by the industry itself to advance its anti-regulatory agenda,” the Campaign for Accountability report stated.

Mulvaney can’t just kill CFPB payday rule, but here’s what he can do | American Banker (Kate Berry)

Lawmaker Seeks Probe into Fake Comments on Payday-Lending Rule | Wall St. Journal
The top Democrat on the House Energy and Commerce Committee asked the Trump administration Monday to investigate fake online comments uncovered by The Wall St. Journal on a rule to restrict high-interest payday lending.

Equifax and Wells Fargo among America's most hated companies | 24/7

After mega hack, Equifax launches free ‘Lock & Alert’ service — with mixed results | NBC News

U.S. consumer protection official puts Equifax probe on ice - sources | Reuters
Mick Mulvaney, head of the Consumer Financial Protection Bureau, has pulled back from a full-scale probe of how Equifax Inc failed to protect the personal data of millions of consumers, according to people familiar with the matter.

Report claims CFPB is backing away from Equifax probe | Consumer Affairs (Mark Huffman)
News that the agency and its director may be stepping back from a full-scale investigation was greeted with dismay by consumer groups. **Americans for Financial Reform** sees it as part of a pattern.

"Mulvaney is going easy on Wells Fargo and predatory payday lenders, and now we have fresh evidence of another terrible move: Mick Mulvaney wants to let Equifax off the hook for its reckless abuse and negligence that may have a lasting impact on millions of Americans," the group said in an email to ConsumerAffairs.

"It’s one more reason why it’s so important to have someone with a track record of protecting consumers running the CFPB, not someone who wants to destroy its work. There are billions of dollars at stake for families and communities across the country."

Trump-appointed CFPB head eases up on Equifax probe | NY Post
Last month, the agency canned rules that made it harder for payday lenders to make high-interest loans — and automatically pull funds — from borrowers.

"Mick Mulvaney wants to let Equifax off the hook for its reckless abuse and negligence that may have a lasting impact on millions of Americans," Lisa Donner, executive director of **Americans for Financial Reform**, said in a statement.

Mulvaney Takes Heat for Handling of Equifax Probe | Courthouse News Service

Schumer: Trump administration rigging the system to help 'most egregious corporate actors' | The Hill
Senate Minority Leader Charles Schumer (D-N.Y.) on Monday accused the Trump administration of "rigging the system to benefit the most egregious corporate actors," citing reports that the Consumer Financial Protection Bureau (CFPB) has dialed back its investigation into massive Equifax data breaches. "First the Trump administration gave lavish tax breaks to corporate CEOs and wealthy investors, now the Trump administration's hand-picked saboteur is essentially handing out get out of jail free cards to Equifax executives," Schumer said in a statement, referring to CFPB leader Mick Mulvaney, who is also the Office of Management and Budget director.

Equifax compromised half the country's information. Trump's CFPB isn't looking into it. | Vox, 2/5/18
Beyond the policy and enforcement measures, some of what Mulvaney has done at the CFPB has been symbolic, and verging on petty. In December, the CFPB renamed a fellowship program for law students and recent graduates that had honored Supreme Court Justice Louis Brandeis, who was known in the early 20th century as the "people's lawyer" for taking on major moneyed interests, including JP Morgan's railroad monopoly.

The fellowship is now named after Joseph Story, a 19th century Supreme Court justice known for his defense of property rights and economic liberty. Story was a staunch opponent of President Andrew Jackson, of whom Trump is a professed fan, so it's not clear exactly what Mulvaney was going for in all of this. Carter Dougherty, communications director of **Americans for Financial Reform**, noted as much on Twitter.

See **AFR statement** on CFPB backing away Equifax probe.

FTC urged to widen Equifax data breach investigation amid concerns over CFPB probe | Washington Times (Andrew Blake)
The Federal Trade Commission (FTC) is being asked to ramp up its investigation into last year's Equifax breach after the Trump administration reportedly reined in a similar probe initiated by the Consumer Financial Protection Bureau (CFPB).

Sen. Amy Klobuchar, Minnesota Democrat, wrote FTC leadership on Tuesday urging the agency to broaden its Equifax investigation after Reuters reported over the weekend that the

CFPB's probe has effectively been put on ice.

Consumer Attys Fear Mulvaney's CFPB Could Leave Void | Law360
Attorneys representing consumers fear that they are losing a key ally as the Consumer Financial Protection Bureau changes gears to be more industry friendly under the leadership of Mick Mulvaney.

Rent-a-bank schemes trample voters' and states' rights | The Hill (Lauren Saunders)
Whenever given a chance, Republicans and Democrats alike overwhelmingly vote to kick out high-cost lenders. In 2016, South Dakota voters chose President Trump by 61 percent but approved a 36 percent interest rate cap by 75 percent. Montana voters also vote for a 36 percent cap in 2010, another conservative election year. In 2008, Arizonans and Ohioans approved rate caps of 36 percent and 28 percent, respectively.

Payday lenders have tried for decades to use rent-a-bank arrangements to evade state laws against 300 percent APR loans. Two bills pending before Congress would bless these schemes. These bills would flout the will of voters and trample on states' historic ability — back to the founding of our nation — to prevent predatory lending…

HR 4439 would allow nonbanks to ignore state rate caps as long as the fine print specifies a bank as the lender. HR 3299 states that if a loan rate is valid at the nanosecond of origination, the loan rate remains valid even if it is immediately assigned to a lender for whom the rate would be illegal.

Warren calls for crackdown on credit-reporting companies | Cyber Security
Sen. Elizabeth Warren (D-Mass.) today called for stricter regulation of credit-reporting companies as she released a 15-page report criticizing Equifax Inc.'s response to a massive hack last year.

DERIVATIVES, COMMODITIES AND THE CFTC

U.S. Regulators to Back More Oversight of Virtual Currencies | NY Times
Giancarlo and Clayton will use the hearing to showcase the efforts their agencies' have made to police the market and to highlight limitations in the regulatory structure.

There is no single federal U.S. watchdog of virtual currencies, with trading and investing in the emerging asset class falling into a jurisdictional gray area between the SEC, CFTC, the Treasury Department and state regulators which license virtual trading platforms as money transmitters.

Regulators push for 'coordinated' approach to bitcoin trading | The Hill
One of the nation's top financial regulators pressed for greater coordination on regulating trading of cryptocurrencies at a hearing Tuesday. "We should all come together, the federal banking regulators, the [Commodity Futures Trading Commission] and [Securities and Exchange Commission] — there are states involved as well — and have a coordinated plan for dealing with the virtual currency trading market," Jay Clayton, chairman of the Securities and Exchange Commission (SEC), told the Senate Banking Committee. Clayton testified alongside Commodity

Futures Trading Commission (CFTC) Chairman J. Christopher Giancarlo, as lawmakers pressed them on steps they are taking to regulate bitcoin and other cryptocurrencies.

ENFORCEMENT

Whistleblowing Is a Key Regulatory Tool | RegReview

EXECUTIVE COMPENSATION

Australia brings in powers to cap bankers' pay | Financial Times (Jamie Smyth)
Australia's parliament has handed regulators new powers to cap top bankers' pay, disqualify executives and directors from the industry and impose higher fines on institutions for bad behaviour.

The Banking Executive Accountability Regime (Bear) marks the government's latest response to numerous scandals that have undermined public trust in banks and focused political attention on the sector.

The law, passed on Wednesday, will come into effect on July 1 for large banks. Its passage comes days before a year-long public inquiry into the wider financial sector is due to begin next week.

FEDERAL RESERVE

The Fed Took On Wells Fargo. What About Everyone Else? | Huffington Post
If the central bank wants to be consistent about its oversight of big bank abuse, there is no reason to exempt other serial offenders from the crackdown. Wells Fargo's account scandal is unique, but JPMorgan, Goldman Sachs, Citigroup and Bank of America each have a long, long list of federal fines and settlements to their names in the years since the crash. But Yellen's parting shot against Wells Fargo is a significant departure for an institution that simply has not taken serious action against the leaders of rogue banks in the past. As a regulatory agency, the Fed has been just as likely to help big banks wriggle out of rules policing excessive risk as it has been to write them. Yellen was planting a flag. If you can't police your bank, you shouldn't be on its board.

Fed slams Wells Fargo with penalty, as four board members ousted | Politico
The Federal Reserve took action against Wells Fargo for the first time in connection with the massive fake accounts scandal and other customer abuses that have been uncovered at the giant bank since 2016.

Wells Fargo's board members are getting off too easy | Washington Post (Lawrence H. Summers)
There are compelling reasons for due process before anyone goes to jail, even if it undermines deterrence. There is no similar justification for due process before being fired, publicly, for being a failed fiduciary. The Fed and other regulatory agencies should change their procedures.

INVESTOR PROTECTION, THE SEC, AND RETIREMENT SAVINGS

IPO Shortcuts Put Burden on Investors to Identify Risk | Wall St. Journal
Rules giving small companies a quicker path to public listings aren't doing investors any favors. Seven of the eight companies that listed on U.S. exchanges in 2017 under a provision of the Jumpstart Our Business Startups Act known as Reg A+ are trading an average 42% below their offer prices, according to Dealogic. The S&P has risen 18% since the start of 2017. The average traditional initial offering on the major U.S. exchanges in 2017 have climbed roughly 22% since their IPOs through Friday's close, Dealogic said.

The poor showing is the latest episode to raise questions about the JOBS Act, a 2012 law that aimed to bolster employment by removing some IPO hurdles for so-called emerging-growth companies with less than $1 billion in annual sales.

Financiers, Heal Thyselves | Wall St. Journal (Jason Zweig)
As of the end of 2016, according to the Investment Company Institute, 8,066 mutual funds came in 25,109 share classes, or versions charging different fees. If we just want to match the return of a financial market instead of trying to outperform it, that's become comically overcrowded too: A trade group, the Index Industry Association, recently estimated that more than 3.2 million indexes track financial markets worldwide.

When we seek higher income in a world of low interest rates, Wall Street doesn't share the simple truth that we can't earn more yield without taking extra risk. Instead, it flogs complexity: non-traded real-estate investment trusts that offer fat dividends but limit our ability to sell at fair value, structured notes that mix generous income with the risk of shocking losses, or indexed annuities that can cut their payouts without warning.
Next, consider quality.

How Much Do You Know About the Fiduciary Rule? Time to Find Out. | Wall St. Journal (Suzanne McGee)
Let's say your financial adviser, who has a clean record, has won your trust with a series of compelling presentations, showing how he generated healthy returns for other clients like you. He has promised to manage your money as carefully as if it belonged to his family, with only appropriate investments. But did he use the magic word "fiduciary"?

SEC paperless mandate a bad deal for rural, elderly investors | The Hill
It's not shocking that politics in Washington D.C. are often detached from the needs of Americans outside the Beltway. One example is the Securities and Exchange Commission's (SEC) efforts to quietly give the financial industry more power over how Americans receive information about their investments.

What's in a name? The first steps to solving the fiduciary debate | The Hill (Kurt N. Schacht)
Using the Trump doctrine on regulation, we have landed upon an preliminary solution to the epic debate regarding a uniform fiduciary duty (UFD) for providers of personalized investment advice. While we certainly want the Securities and Exchange Commission (SEC) and the Department of Labor (DOL) to continue their work toward a codified UFD, investors and retirement savers continue to suffer for want of clarity around adviser services and the

continued onslaught of mis-selling and ill-informed choices. Specifically, they need to understand who is selling what to whom and where allegiances lie. There's a simple way to do this using the Trump framework of no new regulations, no new compliance costs for industry and putting a well-placed drain in one of the murkiest realms in the swamp. Simply put: Regulate titles, eliminate the "incidental advice" loophole and require agent disclosure.

SEC and DOL to Unveil Fiduciary Rule Proposals In The Fall | Financial Advisor
Both the Department of Labor and the SEC will likely roll out their fiduciary rule proposals this fall — and at the same time, ERISA attorneys say, according to ThinkAdvisor.

Yes, you can find a financial planner even if you're not rich | NY Times (Ron Lieber)
Many of the best financial planners want to charge you a fee each year based on the assets that they manage for you, say 1 percent every 12 months. But before they will even consider working with you, you generally have to have many hundreds of thousands of dollars.

MORTGAGES AND HOUSING

Sacramento is the land of corporate landlords | Sacramento News & Review
[A]at the height of the Great Recession, the rental landscape was fundamentally changing for local "mom and pop" landlords. They were about to have direct competition from the wolves of Wall Street, relying on tactics similar to those that caused the financial meltdown.

This was Abood's main finding while conducting her study at MIT. With support from Alliance of California for Community Empowerment, **Americans for Financial Reform** and Public Advocates Making Rights Real, Abood's research was published last month as a report called, "Wall Street landlords turn the American Dream into a nightmare."

Rent Controls, a Bane of Landlords, Are Gaining Support as Costs Soar | Wall St. Journal
Calls for rent-control legislation are growing across the U.S. as apartment tenants endure sharply rising rents and memories fade of the downsides of price caps.

Lawmakers and advocates in California, Illinois and Washington state are pushing to repeal state laws that forbid rent control or place limits on cities' ability to regulate rent increases.

A similar initiative in Oregon was narrowly defeated last spring. Boston, meanwhile, recently passed a bill that restricts landlords' ability to evict tenants, although the legislation still requires approval from the state legislature.

From 2000 to 2016, median inflation-adjusted rents in the U.S. jumped 15% to $980, while renter incomes declined slightly, to $37,300 from $38,000, according to Harvard University's Joint Center for Housing Studies. Some cities, such as San Francisco, Portland, Sacramento and Seattle, have logged annual double-digit increases at various points during the past few years. While rent increases at the high end have slowed recently because of a flood of new luxury supply, increases for midprice properties have shown little sign of abating.

CU Trades Praise House Passage of Mortgage Fees Bill | Credit Union Times
The U.S. House passed a bill Thursday supported by credit union trade groups that would make

it easier for credit unions to sell title insurance and other services along with mortgages they originate.

The Mortgage Choice Act (H.R. 1153) passed by a 280-131 vote. Voting yes were 228 Republicans and 52 Democrats. All those voting no were Democrats. It now goes to the Senate.

FHFA and Senate Proposals Bring GSE Reform Into Sharper Focus | Lexology

FHFA Director Watt Weighs in on Financial Reform Debate | Mortgage News Daily

REGULATION IN GENERAL

Trump cuts business free | Examiner (James Longford)

STUDENT LOANS AND FOR-PROFIT COLLEGES

DeVos And The For-Profit Colleges' Self-Destruct Strategy | Republic Report (David Halperin)
For-profit colleges have a decision to make. The Betsy DeVos Department of Education has now formally proposed to almost completely dismantle the rules issued by the Obama administration to protect students and taxpayers against predatory college behavior — deceptive marketing and recruiting, sky-high prices, poor education quality, financial aid abuses. If the for-profit schools endorse these DeVos anti-reforms, as opposed to urging the Department to retain the reasonable Obama rules, and the Department proceeds, it will do immense harm to students, taxpayers, and the integrity of the Department and its student aid programs. But it might also, eventually, destroy the troubled for-profit college industry once and for all, taking down the good actors in order to enable, for now, the abusive behavior of the bad ones.

Higher Ed Finds Its Voice on PROSPER Act | Inside Higher Ed (Andrew Kreighbaum)

New Higher Education Funding Up for Grabs | Politico (Michael Stratford)

Neg Reg Day 2: Negotiators Debate Implications of Disclosures, Removing Sanctions | NASFAA blog (Joelle Fredman)
After working through three issue papers Monday related to expanding federal gainful employment (GE) regulations to include all programs and standardizing amortization rates, higher education stakeholders spent the majority of the second day of this negotiated rulemaking session debating the Department of Education's (ED) proposed language for disclosures and plan to stop revoking programs' Title IV eligibility.