Americans for Financial Reform

This Week in Wall Street Reform | April 29-May 5, 2017

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TRUMP ADMINISTRATION & WALL STREET

Is He For or Against Regulation? Trump Swings in 1 Day | NY Times
While Republicans in Congress craft a bill to unwind the tighter financial rules that took effect after the 2008 crisis, President Donald Trump is looking in another, seemingly opposite direction: He's entertaining the idea of restoring the Depression-era firewall between commercial banking and its riskier investment side. If Congress reinstated such a law, it might lead to the breakup of big banks.

Trump… endorsed restoring a version of the 1933 law during his presidential run — and even managed to get it into the Republican Party platform. That might have been aimed at luring Sanders supporters who didn't want to vote for Clinton. But that calculus doesn't apply now that Trump sits in the White House. Saying, as president, that he was considering a version of Glass-Steagall caused a stir….

About an hour and a half later, Trump rekindled his denunciation of the 2010 Dodd-Frank law to an audience of community bankers, calling it "out of control." His administration is working to overhaul it, he assured the group from the Independent Community Bankers Association. They showed their enthusiasm with Trump-inspired red baseball caps embossed with "Make Community Banking Great Again!"

Trump's Threats to Break Up Banks Aren't Scaring Wall Street Yet | Bloomberg
Marcus Stanley, policy director at **Americans for Financial Reform**, said that he has a hard time taking Trump at his word, especially since he has populated his administration with finance executives. "So far, Trump has just talked up Glass-Steagall without actually doing anything, which is what you'd expect from a guy who puts big banks in charge of policy," said Stanley, whose group would like to see the law reinstated.

Trump begins to put in place team to oversee banks | Standard Examiner
The appointments mark the beginning of what some Democrats fear is an effort to roll back rules put in place after the financial crisis to prevent banks from ripping off borrowers or taking

on too much risk…

These appointments allow “this new administration to get its hand on the wheel in terms of bank supervision in a very tangible way,” said Marcus Stanley, policy director at **Americans for Financial Reform**. The new regulators “will be able to make changes that would have otherwise taken new laws, controversial laws.”

Trump Weighs Breaking Up Wall Street Banks, Raising Gas Tax | Bloomberg

Trump open to breaking up big banks | Politico

Cohn defines '21st century Glass-Steagall' as different rules for big, small banks | Politico

Wall Street elite find it hard to bank on Trump's breakup talk | Reuters

Trump Adviser Jared Kushner Didn’t Disclose Startup Stake | Wall St Journal

Trump Discards Obama Legacy, One Rule at a Time | NY Times

Treasury GC Pick Made $2.9M In 2016 At Sullivan & Cromwell | Law 360
President Donald Trump’s nominee for general counsel to the U.S. Treasury Department, Brent McIntosh, earned $2.9 million last year from his job as a litigation attorney and co-head of Sullivan & Cromwell LLP’s cybersecurity practice, a document filed recently with the federal government shows.

Treasury GC Pick Brent McIntosh Discloses Big Law Income, Clients | National Law Journal

Simpson Thacher Partner Noreika To Temporarily Lead OCC | Law360

Trump replaces key Obama-era bank regulator | Politico

Trump’s Expected OCC Pick Signals Shift at Regulator That Could Ripple Through Financial Markets | Wall St Journal

Crapo, Brown consider fix for FSOC insurance member | Politico

Treasury hires attorney Patel as FSOC chief of staff | Politico

Justice Department seeks 60-day pause in appeal of MetLife SIFI tag | Politico

Curry’s exit heralds end of Obama-era supervision | American Banker

CONGRESSIONAL ATTACKS ON FINANCIAL REFORM

The 93 Words That Could Unlock $200 Billion in Bank Capital | Wall St Journal
Tucked inside a nearly 600-page legislative proposal to overhaul U.S. financial regulations are 93 words that could provide a windfall for bank investors seeking heftier dividends and share buybacks. The verbiage is contained in the bill to repeal and replace the Dodd-Frank Act, formally introduced last Wednesday by Texas Republican Jeb Hensarling, chairman of the House Financial Services Committee.

The relevant section relates to a somewhat esoteric area of bank capital known as operational risk, a concept regulators have used since the financial crisis to measure the possibility that a bank's own actions, rather than unfavorable economic or market movements, could sink it. Operational risk is largely influenced by a bank's previous missteps, such as big legal settlements, and could require it to hold more capital.

'Financial CHOICE Act 2.0' Rolling Back Consumer Protections Moves Forward | Consumerist
Several groups, including the National Consumer Law Center, **Americans for Financial Reform**, and Public Citizen, lambasted the bill's provision restricting the CFPB and Security and Exchange Commission's authority to restrict forced arbitration.

"Contrary to its title, H.R. 10 would deprive consumers and investors of any choice of their day in court when resolving serious disputes with powerful financial institutions and force them into a rigged system," Amanda Werner, arbitration campaign manager with **Americans for Financial Reform** and Public Citizen, said in a statement.

Next on the Chopping Block: Post-Crisis Bank Regulations | Huffington Post
"The [House Financial Services] committee has passed a bill that would give Wall Street and assorted predatory lenders a free hand to abuse consumers, and investors, and would increase the likelihood of another financial crisis," said Lisa Donner, executive director of the group **Americans for Financial Reform**. "It is an enormous package of gifts for Wall Street and the worst actors in finance."

House Republicans Move to Gut Bank Regulations | NY Times
Progressive groups argued that the push to unravel Dodd-Frank was at odds with Mr. Trump's populist campaign message that the economy was rigged in favor of corporate interests. "It is an enormous package of gifts for Wall Street and the worst actors in finance," said Lisa Donner, executive director of **Americans for Financial Reform**, who said the bill House Republicans passed would increase the likelihood of another financial crisis.

The banking industry's top lobbyist, Rob Nichols, president of the American Bankers Association, cheered the committee's vote.

House panel backs Dodd-Frank repeal bill, kicking off deregulation battle | Politico
Powerful bank lobbies, such as the American Bankers Association, Independent Community Bankers of America and Consumer Bankers Association, have lined up behind Hensarling's bill, the most expansive effort to reduce financial regulations imposed in Dodd-Frank.

The bill could likely pass in the House along party lines, though it's widely considered a long-shot to be taken up in the Senate.
House Committee Approves CHOICE Act, Durbin Amendment Repeal Intact | Credit Union Times

House panel approves GOP Dodd-Frank rewrite | The Hill

'Every single soul knows this bill won't become law' | American Banker

Democrats slam brakes on CHOICE Act markup | Politico

Democrats Seek to protect Watchdog as GOP Tackles Dodd-Frank | Associated Press

Dems Bring In Experts To Take Swipes At CHOICE Act | Financial Advisor

Congress' next 100 days: Small businesses need regulatory relief | The Hill (Sen. James Lankford and John Graham)

Fintech group opposes Durbin repeal in CHOICE | Politico

Let's (not) play games with Dodd-Frank | The Hill (Jonathan Welburn, Raffaele Vardavas and Zev Winkleman)

CONSUMER FINANCE & THE CFPB

House GOP blocks Dem efforts to protect consumer watchdog | Washington Post
House Republicans on Wednesday blocked Democratic efforts to preserve the independence of a consumer watchdog created after the 2008 economic meltdown as the GOP pressed ahead with an overhaul of the nation's financial regulatory law. On the second day of a contentious, marathon session, the GOP-led Financial Services Committee rebuffed the Democratic attempts to protect the Consumer Financial Protection Bureau, the five-year-old agency which enforces consumer protection laws and scrutinizes the practices of virtually any business selling financial products and services.

More Companies Willing to Take on the Consumer Financial Protection Bureau | Wall St Journal
Companies targeted by the Consumer Financial Protection Bureau are more frequently choosing to fight enforcement actions rather than settle, as Republican control of the White House has put the agency's future in doubt. Of 21 enforcement actions announced by the watchdog agency thus far in 2017, one-third have been challenged, the CFPB said. Those seven challenges already exceeds the number last year, when the bureau brought 36 enforcement cases and faced six challenges, according to data compiled by Christopher Peterson, a University of Utah law professor. The shift has occurred as Republican critics press for an overhaul of the CFPB, established in 2011 by the Dodd-Frank financial law, and for the firing of its independent director, Richard Cordray, by the Trump administration.

House Democrats write in favor of APIs for consumer data access | Politico
Eight Democratic lawmakers wrote the CFPB in favor of open consumer financial data access through application programming interfaces.

Trump and the GOP are trying to destroy the only Government Agency protecting us from Wall Street Banksters. | Other 98 (Madison Moore)

Supreme Court Rules Miami Can Sue for Predatory Lending | NY Times

SCOTUS Decision May Fuel Suits Against Banks | New York law Journal

Payday lenders selling illegal loans in Montana, federal banking regulators allege | Billings Gazette
"High-cost loans, whether short-term payday loans or long-term payday loans, put people in a cycle of debt. The Consumer Financial Protection Bureau is defending Montana families against predatory lenders," said Katie Sutton of the Billings-based Montana Organizing Project.

Prepaid Card Consumer Protections in Jeopardy | CBS Sacramento (Kurtis Ming)

Protect users of prepaid cards | The Virginian Pilot (Romarro Thompson)

Portman needs to stand up for users of prepaid cards | Cincinnati.com (Kalitha Williams)

Don't let Congress block consumer protections for prepaid card users | The Gazette (Michelle Singletary)

Multi-millionaire Republican David Trott wants you to believe deregulating Wall Street banks will set you free | EclectaBlog
In what can only be described as a laughable op-ed in The Detroit News today, multi-millionaire Republican and Foreclosure King David Trott attempts to portray a Republican bill to roll back consumer financial protections under Dodd-Frank and kneecap the Consumer Financial

Protection Bureau (CFPB), a federal bureau that has "won almost $12 billion in refunds and relief for an estimated 29 million Americans who've been defrauded by financial companies," as the panacea to all the things holding America back.

It's hard to find anything that protects consumers and keeps Wall Street banks in check in that laundry list of wet kisses to the banking industry. For a more intensive look, check out the analysis from the **Americans for Financial Reform** HERE.

CFPB Insights On Alternative Data Use In Credit Scoring | Law360

Military and Veterans Groups Stand Up for CFPB | Consumer Federation of America

CashMax Closes its Shop in NLR | Arkansas Online

How A Decade Of Upheaval Changed Class Action Firms | Law360

Consumer Redress and "The New Handshake" | Mediate

Six social media 'can do's' from FINRA update on rules, and red flags for each | Complinet

15 Years of Fighting Predatory Lending | Self-Help Credit Union

Curry defends fintech charter as 'pilot' for guiding regulators | Politico

Wells Fargo targeted undocumented immigrants, stalked street corners, lawsuit claims | Washington Post
On "Hit the Streets Thursday," Wells Fargo bankers and tellers, specifically those of Latino descent, scouted the streets and Social Security offices for potential clients. Their goal: Find undocumented immigrants, take them to a local branch and persuade them to open bank accounts.,,

The more people signed up, whether it was for checking and savings accounts, credit and debit cards, online banking or overdraft protection, the better. If they signed up for all of the features, even better. Each new account was considered a sale, and the more sales employees rack up, the better their future was with the company. That's according to former employees' sworn statements obtained last month by a law firm that has been handling a shareholder's lawsuit against Wells Fargo. Former bank managers, personal bankers and tellers say they were forced to resort to questionable tactics to meet the company's unrealistic sales quotas…

The statements reveal that personal bankers and bank managers turned to unethical and potentially illegal ways to reach their daily quotas, while those who dared to report the bad practices were fired.

See **letter from 29 leading military and veterans' groups** in defense of the CFPB.

ENFORCEMENT

NCUA's legal recoveries for liquidated credit unions top $5B | Politico
The National Credit Union Administration said today it has collected $400 million from Credit Suisse for sales of faulty mortgage-backed securities during the financial crisis, bringing its total legal recoveries on behalf of five liquidated credit unions to more than $5 billion.

The settlement with the Switzerland-based bank comes after NCUA, on behalf of U.S. Central Federal Credit Union, Southwest Corporate Federal Credit Union, and Western Corporate Federal Credit Union, sued Credit Suisse over losses from the faulty securities… The bank does not admit fault as part of the deal, according to the announcement.

Ex-MoneyGram Exec To Pay $250K To Settle Treasury Suit | Law360

Feds Fight Nomura Trader's Last-Minute Bid For Separate Trial | Law360

Judge Sets Terms Of Racer's $1.3B FTC Deal | Law360

NCUA's legal recoveries for liquidated credit unions top $5B | Politico

DERIVATIVES, COMMODITIES, & THE CFTC

CFTC approves review to simplify regulations, following Trump order | Politico

CFTC's New Automated Trading Rules Draw Criticism | Law360

See **AFR letter** to CFTC.

FEDERAL RESERVE

Financial trade groups: Fed should be lead agency on Volcker rule | Politico
Two major financial trade associations this week said the Federal Reserve should be made the lead agency for the Volcker rule, which bans banks from engaging in proprietary trading and restricts their investments in private equity and hedge funds. Ahead of the Treasury Department's June deadline for a report on how financial regulations can be improved, the Clearing House Association said in a paper submitted to the department that the Volcker rule, which is overseen by five agencies, should be simplified considerably.

In addition to making the Fed the lead agency for Volcker rule-making, each bank should be assigned to an agency that will enforce the rule for that institution, the group said. The Financial

Services Roundtable similarly said the Fed should be tasked with drawing up requirements under Volcker.

HEDGE FUNDS AND PRIVATE EQUITY

John Paulson's Fall From Hedge Fund Stardom | NY Times

Hedge funds holding 2014 GO bonds sue Puerto Rico government | Politico

Puerto Rico Creditors Sue Over Debt-Cutting Plans | Wall St Journal

INVESTOR PROTECTION AND THE SEC

Senate confirms Trump's SEC pick | The Hill

Jay Clayton's SEC tenure begins | Politico

Wall Street Bailout Attorney Confirmed as Wall Street's Top Cop in Storybook Example of Conflict of Interest | Allied Progress

Nelson Mullins Atty Settles SEC Pay-To-Play Suit For $95K | Law 360

SEC Rewards Whistleblower For 'Well-Hidden' Misconduct Tip | Law360

Should Culpable Whistleblowers Be Eligible for SEC Whistleblower Awards? | New York Law Journal

Fund companies pressured to fight for political disclosure | Politico

MORTGAGES, FORECLOSURES & HOUSING

Goldman Sachs nearing $650 million in consumer relief in $5 billion settlement | Housing Wire
Goldman Sachs recently passed the one-third mark in its $1.8 billion consumer relief obligation that is part of the company's $5 billion settlement reached in April 2016 over toxic mortgage bonds, the settlement's monitor said in a new report. The report, published this week by Eric Green, who serves as independent monitor of the settlement, showed that Goldman Sachs reached $644.3 million in consumer relief for its settlement with the Department of Justice; the New York and Illinois Attorneys General; the National Credit Union Administration, acting as conservator for several failed credit unions; and the Federal Home Loan Banks of Chicago and Seattle.

[**To Protect Consumers, ABA Seeks Pause on HMDA Expansion**]() | **ABA Banking Journal**

Most U.S. Homes Are Worth Less Than Before the Crash | **Bloomberg**

Ocwen goes on the offense in fight with regulators | **National Mortgage News**

Supreme Court rules for Miami in case against Wells Fargo, Bank of America | **Politico**
The U.S. Supreme Court today granted the city of Miami the authority to bring a lawsuit against Bank of America and Wells Fargo under anti-discriminatory housing laws.
In a 5-3 decision, with Chief Justice John Roberts siding with the court's liberals, Miami was allowed to proceed with a lawsuit under the Fair Housing Act that alleged Bank of America and Wells Fargo intentionally targeted blacks and Hispanics with predatory practices.

Supreme Ct Says Cities Can Sue Banks Over Housing Discrimination | **New York Law Journal**

Cities Could Be Limited In FHA Cases After High Court Ruling | **Law 360**

Fannie Mae will send $2.8 billion to taxpayers | **Politico**

Mnuchin aiming to pass housing reform by early next year | **Politico**

NYC investigator & 8 others accused in $1 million mortgage scam | **NY Daily News**

Queens, NY "Short-Sale" Mortgage Fraud Scam | **District Attorney Queens County**
Prosecutors said the defendants are alleged to have concealed the fact that the buyers could not afford the homes by submitting fraudulent mortgage applications showing grossly inflated incomes from fake jobs, bank accounts with fabricated balances and other false information.

REGULATION IN GENERAL

How Congress Could Make Steve Bannon's Wildest Dream Come True | **Yahoo Finance**
Sens. Rob Portman (R-OH) and Heidi Heitkamp (D-ND) reached a bipartisan deal to introduce the Regulatory Accountability Act. Like a number of House bills passed this year, it attacks the agency rulemaking process, inserting additional hurdles to make it harder to get regulations done, and easier for industry to use courts to throw them out. Unlike the House bills, Portman-Heitkamp could actually pass the Senate. "The short version is it would shut down rulemaking," said Rob Weissman, president of consumer advocacy group Public Citizen. Before I explain what's in the bill, you need to understand how enormously difficult it already is for federal agencies to complete a regulation. Take a look at this insane flowchart Public Citizen helpfully constructed, listing the hundreds of requirements facing any agency that wants to do its job. "To be legible it has to be blown up to 6 feet by 8 feet," Weissman noted.

Budget director Mulvaney's claim that Obama imposed regulations without considering costs | Washington Post (Fact Checker)

Mulvaney told BNA that the actual costs of regulation "were often ignored. … We think that what the previous administration was doing was sort of fudging the analysis when it came to the cost side of the equation." Mulvaney said "we actually plan to look at the costs of regulations. And one of the reasons you've seen us repeal certain regulations already is we think that the previous administration didn't do that."...

Mulvaney's sweeping claim is not supported. Instead of ignoring costs, the Obama administration clearly considered the cost side of the equation in a majority of the rules. Mulvaney may believe that the Obama administration had an incomplete or inadequate consideration of the costs — what he called at one point "fudging the analysis" of costs — but that's different from suggesting a complete refusal to consider costs. Indeed, the career people at the Office of Management and Budget who now work for Mulvaney probably worked on these costs estimates, so he might consider asking them what they did.

House passes three securities bills | Politico

RETIREMENT SECURITY & FIDUCIARY DUTY RULE

Republicans Just Repealed An Obama Rule That Helped Workers Save For Retirement | Huffington Post

Congressional Republicans may have finally shown how far they'll go to erase any policy with former President Barack Obama's fingerprints on it. The GOP-controlled Senate voted 50 to 49 on Wednesday afternoon to repeal a rule that paved the way for states to create retirement plans for workers who don't already have them through their jobs. The White House says that President Donald Trump will sign the repeal. The rule was not particularly controversial when Obama issued it. Even some conservative state officials defended the rule and lobbied Republicans not to scrap it, saying a repeal would complicate their own programs and make it harder for workers to save for retirement. The only interest group that really cared to see it go was Wall Street. At the end of the day, that was enough.

Two Last Obama-Era Rules Worth Saving From the G.O.P. | NY Times (editorial)

Wall Street v. Workers as Financial Industry Lobbies against Low-Cost Retirement Plans | International Business Times

Acosta Getting Heat to Further Delay Fiduciary Rule | Bloomberg

House Republicans urge Acosta to delay the fiduciary rule | Politico

After confirmation as SEC chair, Clayton urged to tackle fiduciary standard | Investment News

Lawmakers Call for Further Delay of Fiduciary Rule | ABA Banking Journal

Obama's Legacy: A Retirement Rule That Is Tough to Kill | Wall St Journal

House committee approves Dodd-Frank replacement bill that includes repeal of DOL fiduciary rule | Investment News

These trends are shaping the future of financial advice | On Wall Street

DOL Bucking Trump on Fiduciary Rule? Former Officials Say No | Bloomberg

Fiduciary Rule Exceeds DOL's Authority, 5th Circ. Told | Law360

Elizabeth Warren Hammers Republicans for Their Cruel Indifference to Retirees | Alternet
Nearly a month after introducing a "Retirement Rip-Off Counter" on federal buildings in Washington, Sen. Elizabeth Warren (D-MA) delivered a fiery floor speech to President Trump on behalf of the growing number of Americans forced to work up until the day they die.

Morgan Stanley case shows state enforcing fiduciary duty; red flag for sales contests | Reuters

Despite Fiduciary Rule's Delay, DOL's Measure Has Spurred Changes | National Law Journal

2 ways for advisers to prepare for fiduciary implementation | Financial Planning

Advisers do the math on fiduciary rule compliance | Minnesota Star Tribune

Civic volunteers have tough job, retirement savings | Tribune (Jim Riesberg)
Since most Coloradans can expect to spend 15-20 years in retirement, it is important you make the most of what you put aside to finance your desired lifestyle. Despite your best planning, however, sometimes your savings do not grow as much as you anticipate. With fees and commissions involved, your financial adviser may act as a salesperson in their own best interest, not yours, making some of your hard-earned money end up in the pockets of big banks, insurance companies or brokerage firms.

Will retainer fees replace the conventional AUM model? | Financial Planning
Only 11.5% of fee-only advisers use quarterly or monthly retainers, according to an estimate by Ken Robinson, an early adopter at Practical Financial Planning in Cleveland.

Robinson co-wrote a 2016 study in response, he says, to growing interest in retainers. The Department of Labor's fiduciary rule, increased competition, a limited market for AUM clients and other factors will eventually drive advisers from AUM fees to retainers, according to the study. "I don't think we've hit that tipping point yet. I think that day is coming someday," Robinson said.

Some of the Best Available Mutual Funds Are Now Off Limits to Millions of Investors | Time

Morgan Stanley Dumps Vanguard Mutual Funds | Fox Business

Include health savings accounts in fiduciary process | Investment News (Blaine Aikin)

Congress shouldn't make it harder for small businesses to offer retirement plans | The Hill (Saleem Noorani)

STUDENT LOANS & FOR-PROFIT SCHOOLS

Purdue University Buys Kaplan University for $1 | Economics Wire

Kaplan paying $50M to partner with Purdue on new university | Indianapolis Business Journal

There's a Reason the Purdue-Kaplan Deal Sounds Too Good to Be True | Chronicle of Higher Education

Purdue University's president, Mitch Daniels, says Purdue will acquire the 32,000-student online Kaplan University from Graham Holdings. Daniels told the Purdue faculty that for-profit skeptics "should be happy. There's one less out there, as of today." But is this transaction really the death of a for-profit college? The slides that Daniels presented to the Purdue trustees make it seem so. But the Purdue-Kaplan agreement provided to shareholders and approved by the trustees reveals something different: a dangerous, long-term marriage between a public university and a firm answerable to Wall Street investors.

Kaplan's role with Purdue going forward will be akin to that of an online program management company, or OPM, but on steroids. Margaret Mattes and I at the Century Foundation have examined several hundred OPM contracts that we received from 76 public universities through freedom-of-information requests. Not one of those contracts grants the for-profit company the scope, governance rights, brand use, and guaranteed stability that Purdue is giving Kaplan in this deal.

[Consumer complaints spiked 325% in 2017 over this one issue](#) | MarketWatch
Over the past year, complaints about student loans filed with the Consumer Financial Protection Bureau (CFPB) increased by 325%, according to a report released Tuesday by the Washington, D.C.-based government agency. That's the largest yearly increase in complaints of any consumer product tracked by the agency.

Keep For-Profit Schools on a Short Leash | NY Times (editorial)
For-profit colleges that leave students with crushing debt and useless degrees must be feeling optimistic. They have longed to escape the rules that rein in their predatory practices, and now they have the Trump administration with its aversion to regulation. But even minor regulatory changes can lead to abuses that hurt not just students but also taxpayers, since these schools get almost all their revenue from federal student aid. That's why regulators should keep in mind what occurred in 2008, when Congress temporarily modified a rule requiring that schools get at least 10 percent of their revenue from sources other than the federal program. Schools were allowed to count private loans as part of the 10 percent before they were actually repaid.

DeVos Defends Termination of For-Profit College Accreditor | Politico

Trump Transition Aides Head to K Street Despite Lobbying Ban | Politico

Colleges Rush to Ramp Up Online Classes | Wall Street Journal

'Volatile' but Growing Online Ed Market | Inside HigherED

The Unheralded Mettle of For-Profit College Students | Chronicle of Higher Education

As Edcuation Department Revisits Gainful Employment Rule, California Legislators Propose a State Alternative | Cooley LLp

Trump Administration Backs Termination of ACICS | Inside HigherED

Former Everest College students eligible for federal loan cancellations | The News Tribune

Escobar Doesn't Nix Student Lender FCA Suit, Judge Says | Law360

South University on probation, faces sale | Savannah now

SYSTEMIC RISK

Crapo, Brown consider fix for FSOC insurance member | Politico

TAXES

Dems, millionaires' group press Trump on fund managers' tax break | The Hill
"President Trump is engaged in a classic Washington game of bait-and-switch, and the hedge funders on Wall Street, they love it," said Sen. Tammy Baldwin (D-Wis.). Baldwin and Levin on Wednesday reintroduced legislation that would tax carried interest as ordinary income while leaving the tax rates for pass-through businesses unchanged. The Joint Committee on Taxation has estimated that the bill would raise more than $15 billion over a decade.

Democrats Call on Trump to End Carried Interest Tax Break | Bloomberg BNA -
Those who benefit from the current tax treatment of carried interest might pay even less in taxes under President Donald Trump's tax plan, Rep. Sander M. Levin (D-Mich.) said. The lowering of corporate and pass-through tax rates to 15 percent under the tax plan might allow private equity and hedge fund managers who take advantage of the tax break for carried interest to shoot for that 15 percent rate as partnerships, Levin said.

Levin and Sen. Tammy Baldwin (D-Wis.) called on Trump to tax carried interest at ordinary income tax rates as they reintroduced a bill that would do so during a news conference organized by Patriotic Millionaires, a group campaigning to end the tax break. The current top capital gains rate is 23.8 percent and the top rate for ordinary income tax is 39.6 percent. The Trump plan, released last week, didn't specifically mention the tax treatment of carried interest, but the president talked about ending the tax break during his campaign.

Democrats reintroduce carried interest legislation | Politico

Bills Introduced to Close Carried Interest Loophole, Limit Derivatives as Tax Dodge | Value Walk

Making Wall Street loopholes great again | The Hill (Sarah Anderson and Jon Green)

Wyden bill takes aim at derivatives tax gaming | Politico

See press release from office of Rep. Peter DeFazio.

OTHER TOPICS

Lawyer says 'gender politics' at play before Wells Fargo executive's ouster | Politico

Q&A: Comptroller Tom Curry | Politico

Comptroller of the Currency Tom Curry is stepping down on Friday, ending five years at the helm of the bank-supervisory agency, to be replaced on an interim basis by attorney Keith Noreika. The diplomatic and soft-spoken regulator spoke to POLITICO on Wednesday, where he delivered a strong defense of post-crisis financial rules. Though he endorsed a review of those rules, he urged lawmakers and regulators not to forget the basics of a resilient banking system: high-quality capital and tough supervision.