AMERICANS FOR FINANCIAL REFORM

This Week in Wall Street Reform | May 2 - May 8, 2015

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CONSUMER FINANCE & THE CFPB

CFPB Must Prioritize People over Payday Lenders
Tony Price, American Banker, 5/5/15
The CFPB's proposed outline for small-dollar lending rules is not perfect. There are too many loopholes that might allow payday lenders to get around the ability-to-pay standard and not enough protections against abusive and deceptive lending practices.

In just the last two years, the industry has spent $13 million on political donations and lobbying Congress, according to the nonprofit **Americans for Financial Reform**. The voices that the CFPB must hear from and heed are the millions of American families who are harmed by abusive lending every year.

Payday records were released before; now secret
Jonathan Ellis, Argus Leader, 5/6/15

Republicans shouldn't block the Pentagon's proposed rules protecting soldiers from usury.
Dean Clancy, US News, 5/8/15
I'm always skeptical of new government regulation, and especially of laws that purport to protect people from their own poor choices. But this regulation is easy to support. Congress has the power to – and should – drive usurers away from our military installations, because such lenders pose a risk to the national defense.

Investigations by the Pentagon and the federal Consumer Financial Protection Bureau reveal stories of service families being charged 300 percent, 400 percent or more for small-dollar, short-term loans. Some borrowers pay more than twice the original loan amount due to hidden or poorly understood interest and fees. I doubt that helps morale...

My fellow Republicans: Let the payday rule go forward. Support our troops against usurers.

McSally comes under fire from Democrats after supporting provision that would delay new predatory-loan protections for military members
Jim Nintzel, Tucson Weekly, 5/4/2015
Kelly Griffith, executive director of the Tucson-based Southwest Center for Economic Integrity, said she was "absolutely stunned" that McSally voted against the Duckworth amendment. She said that she briefed McSally's staff on the details of the Department of Defense's new rule earlier this year and sent an email alerting them to the provision to delay the rule in the National Defense Authorization Act…

"The Military Lending Act does not apply to home loans," Griffth said. "This is about predatory small loans that are the bane of many military bases around the country including our own bases right here in Tucson and Sierra Vista."

David Lucier, president of the Arizona Veterans and Military Leadership Alliance, told the Weekly that McSally's vote "made no sense on any level."

CFPB, DOD Threaten Small Dollar Loans: Matz
David Morrison, Credit Union Times, 5/6/15

Millions of Americans are 'credit invisible'
Victor Whitman, Scotsman Guide News, 5/6/15

Consumer Financial Protection Bureau Finds 26 Million Consumers Are Credit Invisible
Press Release, Consumer Financial Protection Bureau, 5/5/15

Labor-Community Coalition Celebrates Passage of Legislation Banning Employment Credit Checks
NYC Coalition to Stop Credit Checks in Employment, 4/16/15

Bank of America and JPMorgan Chase Agree to Erase Debts from Credit Reports After Bankruptcies
Jessica Silver-Greenberg, 5/7/15

Don't Buy the Spin: Operation Choke Point Targets Legal Businesses
Dennis Ross, American Banker, 5/4/15

After L.A. lawsuit, Wells Fargo customers express anger over bank's practices
Andrew Khouri & Jim Puzzanghera, Los Angeles Times, 5/8/15
Business owner Ken Wallman figures he was one of the luckier ones. About two years ago, he went into a Wells branch in Marina del Rey to open one checking account, signing several documents to get it going. About six months later, he said, he learned he had a dozen additional accounts he never authorized, and some were dinged for monthly fees.

Wallman said that after many attempts to fix the problem, he eventually got the bank to "weed out the erroneous accounts and reverse some fees," but he's sure some charges slipped through "and cost me money."

Want a Steady Income? There's an App for That.
Anand Giridharadas, N.Y. Times Magazine, 4/29/15
Income volatility has been called America's "hidden inequality." The economists Karen Dynan, Douglas Elmendorf and Daniel Sichel estimated in a Brookings Institution paper that American household incomes became 30 percent more volatile between the early 1970s and the late 2000s, and that in recent years, more than one in 10 American households took in half the annual income that they did the previous year. The Federal Reserve found in 2014 that nearly a third of American households experienced significant income swings. The volatility is hardest, of course, on the poor, who don't just earn less than the better-off but also earn their lower incomes more choppily, the money coming in irregular bursts, surging in some weeks, vanishing in others, always making a mockery of plans. Many poor people earn more each year than they spend, but on a given day, they don't have the cash to handle the expenses due. Payday loans, pawn shops, credit cards, overdraft fees and such fill the vacuum and make things worse, levying a vast toll in interest, fees and stress...

DERIVATIVES, COMMODITIES AND THE CFTC

Wall Street regulator says futures should be part of audit trail plan
Suzanne Barlyn and Sarah N. Lynch, Reuters, 5/1/15
The move to eventually include futures would be "logical" Richard Ketchum, the Financial Industry Regulatory Authority's (FINRA) chief executive, said on the sidelines of a congressional hearing.

Ketchum testified earlier about FINRA's oversight of brokerage activities. Although FINRA, the Wall-Street funded industry watchdog, currently conducts extensive surveillance of equity and debt markets, many data gaps still exist.

Goldman Sachs in Talks to Sell Its Coal Mines
Ianthe Jeanne Dugan, Wall St. Journal, 5/3/15

ENFORCEMENT

L.A. sues Wells Fargo, alleging 'unlawful and fraudulent conduct'
E. Scott Reckard, LA Times, 5/4/15
Rigid sales quotas at Wells Fargo Bank have driven employees to open unauthorized accounts for customers, sticking them with bogus fees and damaging their credit, according to a city of Los Angeles lawsuit that echoes a Times investigation.

The civil complaint, filed Monday in state court in Los Angeles by City Atty. Mike Feuer, says the largest California-based bank encouraged its employees to engage "in unfair, unlawful and fraudulent conduct" through a pervasive culture of high-pressure sales. Employees misused customers' confidential information and often failed to close unauthorized accounts even when customers complained, the suit alleges.

Big Banks Use Loophole to Avoid Ban
Aruna Viswanatha, Wall Street Journal, 4/30/15
Deutsche Bank AG last week was able to avoid the threat of a ban on selling stakes in hedge funds by tucking specific language into an $800 million agreement it reached with a different regulator—the Commodity Futures Trading Commission—to resolve an interest-rate-rigging probe.

SEC Announces Award to Whistleblower in First Retaliation Case
Press Release, Securities and Exchange Commission, 4/28/15

EXECUTIVE COMPENSATION

The right way to measure CEO pay has nothing to do with 'shareholder value
Michael Hiltzik, Los Angeles Times, 5/4/15
The SEC's proposal, which is now open for public comment, accepts as a given that the best metric is to compare top executives' compensation to shareholder return — that is, stock price appreciation plus dividends… The first problem with the SEC plan is that shareholder return is at best an imperfect gauge of the success of a corporation and therefore of the appropriateness of the CEO's pay. As my colleague Jim Peltz observed last week, "Using total shareholder return might provide a fairly uniform measure for the public, but the number might not always represent the true health of an underlying company."

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New SEC CEO Pay Rule Gets Low Marks
Sarah Anderson, Huffington Post, 5/7/15
In my more than two decades of work on runaway executive pay, sparking public outrage has never been the problem. The real challenge has been persuading the public there's something we can do about it.

To help change that, we've been publishing a list of more than 30 creative and practical reforms in our annual Institute for Policy Studies Executive Excess reports. We assign each reform a report-card style grade, based on how far it would go towards advancing economic fairness and stability in executive pay policy and practice.

The CEO pay proposal issued by the Securities and Exchange Commission April 29 gets one of our lowest marks.

SEC Moves to Expand Executive Compensation Disclosure

Brandon Kenney, U. of Penn. RegBlog, 5/6/15

Under the rule, publicly traded companies would be required to disclose executive pay and company financial performance information along with similar information for peer companies in interactive tables. The information would be required to cover the last five fiscal years for most companies, although smaller businesses would be required to provide information for only the previous three years.

The proposed rule, which implements a mandate in the 2010 Dodd-Frank Act, would affect about 6,000 corporations across the country.

Although the proposed rule would require executive pay and financial performance information to be highlighted in a formal disclosure to shareholders, this information is already available for those who delve into a corporation's financial reports.

SEC proposes new rules for executive pay-versus-performance disclosure

Alston & Bird LLP, Lexology 5/4/15

On April 29, 2015, the Securities and Exchange Commission (SEC) voted 3-2 to approve proposed rules that would require companies to disclose the relationship between the compensation actually paid to their named executive officers and the financial performance of the company and the companies in their selected peer group. The new disclosure would be required in a table format in proxy statements and information statements in which executive compensation disclosure is required.

FEDERAL RESERVE

Monetary Policy and the Independence Dilemma

FED of San Francisco, 5/1/15

HIGH-FREQUENCY TRADING AND VOLATILITY

'Flash Crash' Overhaul Is Snarled in Red Tape

Bradley Hope & Andrew Ackerman, Wall St. Journal, 5/4/15

INVESTOR PROTECTION & THE SEC

Democrats mount pressure on DoL 'fiduciary' proposal

Patrick Temple-West, PoliticoPro (paywalled), 5/7/15

Echoing the same request made last month by Wall Street lobbyists, the House Democrats asked Labor Secretary Thomas Perez for more time to respond to the department's proposed rule published April 14.

After years of delay, the Labor Department's fiduciary proposal would impose tougher standards on brokers who offer retirement investment advice to customers. The White House is concerned brokers steer customers to retirement investments with higher fees to cash in on commissions.

Pension Funds Can Only Guess at Private Equity's Cost

Gretchen Morgensen, NY Times, 5/1/15

Indeed, when it comes to secrecy, few industries do it better than private equity. To outsiders, the lucrative business of borrowing money, buying companies and hoping to sell them later at a profit is as impenetrable as a lockbox. Rates of return and hidden costs are difficult to identify, even for investors in these deals.

MORTGAGES AND HOME LOANS

Zillow: Detroit's housing status is "deeply troubling"

Brena Swanson, HousingWire, 5/7/15

What's interesting is that Detroit never really participated in the hoopla of the financial crisis. "But the lack of frenzy in good times did not protect Detroit from the bad times, with the subsequent national collapse in home values hitting Detroit as hard as any market, if not harder. And since then, while local housing markets around the country have gradually dug themselves out, Detroit has been stuck," said Aaron Terrazas, senior economist at Zillow.

Study Finds Foreclosures Fueled Racial Segregation In US

Staff, Newsroom America, 5/7/15

POLITICAL INFLUENCE OF WALL STREET

Gov. Andrew Cuomo Gave His Donors Work On $3 Billion Worth Of New York Bonds

David Sirota & Matthew Cunningham-Cook, International Business Times, 5/8/15

The Bank of America Corp., Citigroup Inc. and JPMorgan Chase & Co. have over the past 2 1/2 years received taxpayer-financed contracts to help manage the sale of more than $3 billion worth of bonds for New York state, according to a review of state records by International Business Times. The three banking companies secured this lucrative line of business during the same period they delivered more than $132,000 in campaign contributions to Gov. Andrew Cuomo through political action committees under their corporate control.

The Cuomo administration handed out the bond-sale work to these banks despite federal rules that bar the firms from getting such business if they have donated campaign funds to the governor. The rules are designed to prevent public officials from awarding the bond work to their favored contributors, rather than awarding that work on the basis of the best fees and interest rates charged to taxpayers.

New York Gov. Andrew Cuomo Gave Bond Deals To His Wall Street Donors, Despite Federal Rules

Matthew Cunningham-Cook & David Sirota, International Business Times, 5/7/15

New York Gov. Andrew Cuomo has since 2012 taken in more than $131,000 in campaign contributions from three major financial firms that were then tapped by his administration to manage state bond work, according to an International Business Times review of campaign finance documents and state bond prospectuses. The Democratic governor accepted the money -- and his officials handed out the government business without competitive bids -- despite federal rules that bar campaign contributors from receiving taxpayer-financed state bond work.

Last week, Cuomo officials designated the three banks that contributed the campaign funds -- JPMorgan Chase, Citigroup and Bank of America -- as the dealers for a $33 million bond issue, enabling the firms to reap lucrative fees. That came on top of the Cuomo administration assigning the firms to manage a$68 million bond issue last fall, even as federal law enforcement officials were investigating allegations that New York lawmakers were doing favors for political donors.

Corporations under growing shareholder pressure to disclose political influence spending

Alex Kotch, Facing South, 5/6/15

STUDENT LOANS & FOR-PROFIT EDUCATION –

For-Profit Colleges Face a Loan Revolt by Thousands Claiming Trickery

Tamar Lewin, NY Times, 5/3/15

About 150 former students have joined the debt strike. More than 1,000 others are formally asking the Education Department to wipe out their debt, arguing that the school used false graduation and placement statistics to entice them into taking out burdensome debt. And many of the 16,000 students whose schools were closed last week are also likely to apply for loan discharges.

[There's a new plan in Washington to 'get Wall Street out of education']
Abby Jackson, Business Insider, 5/3/15
"We need to get Wall Street out of education," said Rep. Mark Takano (D-California) at a press conference on the bill he's co-sponsoring, the Protections and Regulations for Our Students Act, also known as the PRO Students Act.

[Student Debt Strikers: Education Department Is "Using Us" for a "Publicity Stunt"]
David Dayen, New Republic, 5/3/15
"They're using us so they can pretend to care about students," said Laura Hanna, an organizer with the Debt Collective, which has helped assemble a group of over 100 students from the Corinthian network of for-profit colleges who are refusing to pay back their loans.

"Our hope is that we can slow down this process," said Laura Hanna of the Debt Collective. Over a dozen congressional Democrats and nine state attorneys general have appealed to the Education Department to discharge loans for Corinthian students. Thirty-three organizations led by **Americans for Financial Reform** sent a letter demanding blanket debt relief to the Education Department last Friday.

[Corinthian Colleges Secretly Funded D.C. Think Tanks, Dark Money Election Efforts]
Lee Fang, The Intercept, 5/4/15
Some hints emerged today in the giant chain's filing for Chapter 11 bankruptcy protection in Delaware. It shows that Corinthian made secret payments to an array of political consultants, think tanks and political dark money groups. The filing doesn't list amounts, but shows that Corinthian made payments to Crossroads G.P.S., a group co-founded by Karl Rove that has raised over $300 million to elect Republican members of Congress through campaign advertising. Crossroads G.P.S., a 501(c)(4) nonprofit, does not disclose any of its donors.

See joint letter: [Corinthian Students Deserve Federal Loan Relief]

See also [National Consumer Law Center letter.]

[Vanishing Profit, and Campuses]
Paul Fain, Inside Higher Ed, 6/7/15

[Career Education to close all but two schools]
Ameet Sachdev, Chicago Tribune, 5/7/15

[Forgiving Student Debt at Corinthian Colleges and Other For-Profits]
Open Forum, NY Times, 5/7/15

[Metro Phoenix at center of for-profit college shake-up]
Ronald Hansen, AZCentral, 5/3/15

[Durbin Enlists Allies on the Frontlines in the Fight against Predatory For-Profit Colleges]
Press Release, Office of Senator Dick Durbin, 5/7.15

[Corinthian Colleges Files For Bankruptcy]
Shahien Nasiripour, Huffington Post, 5/4/15

[The HuffPost Show takes on the GOP's lip-service patriotism]
HuffPost Show, 5/4/15

[Corinthian Colleges Files for Chapter 11 Bankruptcy]
Stephanie Gleason, Wall Street Journal, 5/4/15

[Corinthian College declares bankruptcy; former Corinthian students still can't]
Jennifer Abel, Consumer Affairs, 5/6/15

Corinthian Files for BK
Paul Hughes, Orange County Business Journal, 5/4/15

Corinthian Colleges Files for Bankruptcy
Andy Thomason, Chronical of Higher Education, 5/4/15

Corinthian Colleges files bankruptcy to facilitate wind-down
Nick Brown, Reuters, 5/4/15

Corinthian Colleges Inc. Files For Bankruptcy
Ashlee Kieler, Consumerist, 5/4/15

This for-profit college failed, but its students are left with the wreckage
Danielle Douglass-Gabriel, Washington Post, 5/1/15

In-depth look at the current state of the for-profit college industry
Nightly Business Report, CNBC, 5/1/15

Heald students must decide whether to stay the course or seek loan forgiveness
Loretta Kalb, Sacramento Bee, 5/3/15

For-profit schools at crossroads
Gordon Oliver, Columbian, 5/3/15

Everest Institute debacle calls for prison
David Andreatta, Democrat & Chronicle, 5/1/15

Penn Foster College must pay more than $73,000 after PCC refused Portland man's credits
Richard Read, Oregonian, 5/4/15

How to better protect Florida students from for-profit chicanery
Michael Vasquez, Bradenton Herald, 5/4/15

Chrysler to offer free college tuition to all dealership employees
Claire Zillman, Fortune, 5/4/15

Corinthian Colleges declares bankruptcy amid push for new legislation to help students
Beau Yarbrough, San Bernardino Sun, 5/4/15

Higher Ed Lobby Quietly Joins For-Profit Schools to Roll Back Tighter Rules
Alec MacGillis, Pro Publica, 5/4/15

Penn Foster College Will Pay $70,000 to Settle Complaint over Deceptive Ads
Andrew Mytelka, Chronicle of Higher Education, 5/5/15

Senators Call For Attorney General Investigation of Corinthian Colleges Failure
Press Release, Office of Senator Dick Durbin, 5/6/15

For-profit colleges' success ignored
Donald Graham, Miami Herald, 5/2/15
Over the last few years, Kaplan University — the same place referred to multiple times in your stories — surveyed all those who have graduated from the school. Not all replied, of course, but more than 17,000 did. This is not a scientific random sample; it's possible it was disposed toward those who liked the place. But 17,000 people responding

to a survey isn't casual evidence, either. Here is what the most recently surveyed students had to say:

- 88.6 percent agreed or strongly agreed with, "Overall I am satisfied with my experience at Kaplan University."
- 84.6 percent said, "I would recommend Kaplan University to others."
- 86.2 percent agreed or strongly agreed with, "The education I received is relevant to my current goals."

In each case, those who entered "strongly disagree" were between 1 percent and 4 percent.

SYSTEMIC RISK

Yellen says bank regulators making progress in reforms THIS SHOULD GO IN SYSTEMTIC RISK SECTION
Martin Crutzinger, Associated Press, 5/6/15
Federal Reserve Chair Janet Yellen said Wednesday that the Fed and other banking regulators have made significant progress in correcting flaws in the financial system that triggered the worst banking crisis in seven decades. "I think there was a great deal we missed before (the 2008) crisis," Yellen said. "I think we are better positioned now and have better tools…"

Banking regulators are remaining "watchful" for any areas where further reforms may be needed, she said. Yellen cited the need to address the problem of "too big to fail" — the perception among investors that some institutions are so large that the government will step in and save them if they get into trouble.

Sanders unveils bank breakup legislation
Peter Schroeder, The Hill, 5/6/15
His legislation would require federal regulators to determine which financial institutions pose a risk to the economy thanks to their size and complexity, and give those firms a simple message: Break yourselves up, or the government will do it for you.

"If an institution is too big to fail, it is too big to exist, and that is the bottom line," he said.

Still Too Big to Fail
Jennifer Taub, Corporate Reform Coalition Report, 5/7/15
The top six bank holding companies are considerably larger than before, and are still permitted to borrow excessively relative to the assets they hold. They are dangerously interconnected and remain vulnerable to sudden runs, because they borrow billions of dollars from wholesale lenders who can often demand their cash back each and every day. Banks can still use taxpayer-backed insured deposits to engage in high-risk derivative transactions here and overseas.

Compensation incentives fail to discourage mismanagement and illegality, given that when legal fees, settlements, and fines mount, it is usually the shareholders, not the corporate executives who pay. Should one of these giant banking firms, it appears that the damage will not be contained.

Bankers and Regulators Voice Fears on Bond Market Volatility
Peter Eavis, NY Times, 5/3/15
Their fear is that in an event like a surprise increase in interest rates, trading could rapidly dry up, causing violent movements in bond prices and even disrupting the functioning of the market. According to this view, the destabilizing volatility in the bond market could make it harder and more expensive for companies and countries to borrow.

"The dealers are profit motivated, so they are not going to catch a falling knife," said Marcus Stanley, policy director at **Americans for Financial Reform**, a group that supports rules that rein in risk taking on Wall Street.

The Mysterious Evaporating Bond Liquidity?
Fisher, iStockAnalyst, 5/7/15
Trading dried up for a time during the shakeouts in the market in 1994, 1998 and 2008, all of which occurred when there were far fewer restrictions on Wall Street dealers. In 1994, for instance, when interest rates unexpectedly rose, bond

dealers slashed their holdings of bonds by nearly a third, according to figures from the Federal Reserve.

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How Fewer Derivatives Could Pose a Threat to the Financial System
Maureen Farrell, WSJ, 5/7/15

OTHER TOPICS

How the Bankers Destroyed the Dream
Peter Dreier, American Prospect (article not posted online), Spring 2015
Nor does [Jennifer Taub's book "Other People's Houses"] discuss **Americans for Financial Reform**, the Washington-D.C.-based liberal coalition that played a key part in pushing for tough reform measures that resulted in the Dodd-Frank legislation…. Taub's book is a jeremiad, a warning that we need to understand what led to the 1980s S&L crisis and the more recent financial meltdown, or else it could happen again.

Dodd-Frank Rules Could Shave $895 Billion off Economic Growth Over a Decade, Think Tank Says
Kate Davidson, Wall Street Journal, 5/6/15
In a paper to be released today, the conservative Washington think tank looked at the banking sector's response to new regulations and the cost of complying with them to see how the financial reform law has affected economic growth. They found the law could reduce gross domestic product by $895 billion between 2016 and 2025, or $3,346 for each working-age person.

Dodd-Frank Supporters Argue Safer Financial System Justifies Cost of Regulation
Kate Davidson, Wall St. Journal, 5/7/15
The {American Action Forum] paper doesn't argue that [the] costs outweigh the benefits. But it doesn't attempt to quantify any of those benefits, either. That's a significant flaw, according to **Americans for Financial Reform**… "Extensive economic research shows that the benefits of greater financial sector stability alone will exceed the costs claimed by the AAF," the group argued.

Americans for Financial Reform Challenges Study on Dodd-Frank Costs
Bloomberg BNA (paywalled), 5/7/15
Americans for Financial Reform took issue today with a study released a day earlier by the center-right American Action Forum. The AAF says the financial regulatory overhaul law will reduce total U.S. economic output by $895 billion between 2016 and 2025… "The AAF study both exaggerates the growth costs of regulation and fails to include benefits from regulation that would substantially exceed even these exaggerated costs," [AFR] said.

Reform advocates: Dodd-Frank will boost economy by $2.9 trillion
Tim Devaney, The Hill, 5/7/15
Americans for Financial Reform is defending the Wall Street rules under Dodd-Frank, pushing back on a new study that it says "exaggerated" the negative impact on the economy. By preventing the economy from slipping into another financial crisis, Dodd-Frank will create $2.9 trillion in economic benefits over the next decade, the group says.

AFR Rebuts Dodd-Frank Study
Politico (Morning Money), 5/8/15
Per **Americans for Financial Reform**: "[W]e find that not only are the costs in the AAF study significantly exaggerated, but the benefits of Dodd-Frank clearly exceed even those exaggerated costs. (E.g. if Dodd-Frank succeeds in cutting the probability of financial crises in half, it will produce benefits more than triple the estimated AAF costs - and that is before counting any benefits from improved consumer protection or economic fairness)."

See AFR Response to American Action Forum study.

Beauty of Dodd-Frank reforms in beholder's eye

Maxwell Murphy, CFO Journal (WSJ), 5/7/15

Americans for Financial Reform, a nonprofit, nonpartisan coalition of civil rights, labor and other groups dedicated to forestalling another financial crisis, on Thursday argued that the benefits of the 2010 financial reforms far outweigh any costs banks and the economy might incur under tighter regulations.

The analysis is a rebuttal to the cost analysis issued Wednesday by the American Action Forum, a self-described center-right policy institute that believes government has an "important, but limited role."

AFR cited 2013 research by the Federal Reserve Bank of Dallas that estimated the cost of the 2007-2009 recession at $6 trillion to $14 trillion or more. Banking crises have run in 20- to 25-year cycles since World War II, implying a 4% to 5% chance of one during any given year. Each percentage-point drop in that risk thanks to Dodd-Frank stands to save the U.S. economy roughly $1.5 trillion. If the annual probability of catastrophe is halved, AFR said, that's $2.9 trillion in savings.

Why Are Conservatives Abandoning States' Rights for Big Banks?

Paul Bland, Huffington Post, 5/8/15

One of the most important provisions of Dodd-Frank is that it protects state consumer protection laws against being wiped away ("preempted") by federal law. When it passed Dodd-Frank in 2010, Congress noted that it was difficult for consumers to go after lenders who were engaged in deceptive practices because federal laws didn't do anything to protect those consumers, and state consumer protection laws (which were actually very strong) were overridden and erased by federal law. As a result, Dodd-Frank includes numerous provisions designed to make it much harder for federal regulators to wipe away state laws.

So why are the Republican Attorneys' General, who go on and on about loving states' rights, trying to roll back the clock to an era when state consumer protection laws were widely stomped out in favor of federal regulatory agencies?

Elizabeth Warren: Trade bill could "tear down" Wall Street oversight

Zachary Warmbrodt, Politico, 5/5/15

Wall Street banks have kept a close eye on recent trade negotiations, particularly the Transatlantic Trade and Investment Partnership with Europe, and have pushed for financial regulation to be part of the talks. Last month, the Securities Industry and Financial Markets Association and the U.S. Chamber of Commerce said in a joint statement that it is "vital" that the European trade agreement cover financial regulation.

Why Democrats Should Worry About Republicans' Newfound Economic Populism

Richard Kirsch, Next New Deal via Huff Post, 5/7/15

This should be a huge opening for Democrats who are aggressive in assigning blame to corporations and pushing for what should be the obvious solution: Stand up to those powerful forces with tough measures. If the banks are screwing homeowners, government should enact regulations that stop bank rip-offs and make housing affordable. If corporations and the rich are profiting from huge loopholes in the tax code, close those loopholes and raise their taxes.

But Republicans on the campaign trail are offering a different solution: If government is captured, then shrink government.