Americans for Financial Reform

This Week in Wall Street Reform | Nov. 14–20, 2015

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CONSUMER FINANCE & THE CFPB

Efforts to Rein In Arbitration Come Under Well-Financed Attack
Jessica Silver-Greenberg and Michael Corkery, NY Times, 11/15
A television ad during the Republican presidential debate last Tuesday depicted pale bureaucrats rubber-stamping the word "DENIED" on the files of frustrated Americans, beneath a red banner of Senator Elizabeth Warren evoking a Communist apparatchik. The ad attacks the Consumer Financial Protection Bureau, a federal agency created with Ms. Warren's strong backing after the 2008 mortgage crisis. What the ad did not say: Its sponsor wants to rein in the agency in part because of its efforts to restrict arbitration — the widespread practice in corporate America of requiring customers and employees to resolve disputes not in the courts, but in private proceedings with neither judge nor jury.

In fact, arbitration is one of the reasons the ad's sponsor, American Action Network, wanted to blast the agency with the $500,000 campaign, the group said… At the same time, the U.S. Chamber of Commerce, the most powerful business lobby in the country, started a new effort to block the Consumer Financial Protection Bureau by lobbying lawmakers to attach a rider to the federal budget bill that would force the regulator to conduct a new study before issuing any rule, according to people with direct knowledge of the strategy.

Why That Orwellian Anti-CFPB Ad Worked
Mike Shields, American Banker, 11/18
Over 13.5 million Americans were introduced to the CFPB while watching our ad during the Nov. 10 GOP primary debates. We visualized the autocracy of the agency with stark imagery featuring CFPB Director Richard Cordray and Sen. Elizabeth Warren, who first proposed creating the bureau, on red banners overseeing a regulatory factory filled with bureaucrats.

Additionally, we visualized the message that the CFPB's unilateral regulations will ultimately hurt the people they claim to help. The CFPB's activities affecting mortgages, car loans and other personal loans could drive up cost, reducing credit access for millions of Americans. Those are just a few examples that translate most easily for personal application. But no less dangerous is the CFPB's arbitration rule that could have a chilling effect on the financial services offered to consumers.

Meet The 88 Democrats Who Just Voted To Enable Racial Discrimination In Car Buying
Zach Carter, Huffington Post, 11/20
This week, the House of Representatives voted to help banks and car dealerships discriminate against customers of color. And it wasn't just Republicans -- 88 Democrats, including Democratic National Committee Chair Debbie Wasserman Schultz (D-Fla.) -- voted in favor of the legislation. Since issuing the guidance, the CFPB has taken action against Honda and Ally Bank for overcharging borrowers of color, forcing them to return more than $100 million to their customers.

This was apparently too much for banks and auto dealers to handle. They lobbied for a bill that would nullify the CFPB's regulatory move. The NAACP, the Urban League, the National Council of La Raza, **Americans for Financial Reform** and other groups opposed the legislation. The Congressional Progressive Caucus urged lawmakers to vote against it, as did Rep. Maxine Waters (D-Calif.), the top-ranking Democrat on the House Financial Services Committee.

See AFR statement, "The House Puts Its Seal of Approval on Discriminatory Auto Lending." Also see statement by Wade Henderson, president and CEO of The Leadership Conference on Civil and Human Rights,

The Data Is Clear: Auto Lenders Discriminate

Stuart Rossman, USNews, 11/17

Findings of discrimination have come under attack because they were based on proxy analysis. Loan files do not disclose the race of individual borrowers, so the CFPB and DOJ conducted statistical analyses based on consumers' last names and geographic location. This analysis conducted on data from millions of auto finance transactions can find patterns that almost certainly reveal actual differences based on race.

In fact, a few years ago, the National Consumer Law Center proved the same conclusion in courts of law based on data that did reveal the race of individual borrowers. In the late 1990s, we co-counseled class action lawsuits against all of the major auto finance companies challenging the use of discretionary dealer markups. In discovery, we obtained data on individual loans, and we hired an expert witness to match the loans to drivers' license data in states that collected the drivers' race. With millions of loans to analyze, we also could find the race of many borrowers who financed a car in a state that does not collect racial information but previously lived in a state that does. The results were overwhelming: Dealers were twice as likely to add a markup to the loans of African-Americans than to loans taken out by comparable white borrowers.

Lawmakers Line Up To Make It Easier To Discriminate Against You When You Buy A Car

Alan Pyke, ThinkProgress, 11/17

Even without the nerdy debate over the agency's research methodology, the CFPB's efforts to police car loans would be inherently messy. The Dodd-Frank financial reform package that created the agency includes language specifically barring it from overseeing auto dealerships. That forces the agency to target the lenders that partner with dealerships rather than directing its rulemaking and enforcement actions at the companies that are making actual customer-by-customer decisions about what rates to charge.

That jurisdictional dynamic may help to explain why so many Democrats have signed onto this particular effort to undermine a CFPB action. Such efforts have been common since Republicans retook Congressional majorities. But usually, those bills to rein in the young and aggressive agency's work to combat consumer scams have not drawn bipartisan backing.

Republican-Backed Bill Could Help Shady Auto Dealers Discriminate Against Minority Buyers

Tom McKay, Mic, 11/12

House passes bill to nullify CFPB indirect auto finance guidance

Barbara Mishkin, CFPB Monitor, 11/19

White House threatens to veto bill limiting CFPB's oversight of auto lenders

Jon Prior, Politico, 11/16

Auto Loan Bill Could 'Hitch Ride' on Catchall Legislation

Bloomberg, 11/19

The bill, which impacts retailers including Penske Automotive, AutoNation, and Group 1 Automotive, was supported by all voting Republicans and almost half the Democrats, making it a "good candidate" to be added as a policy rider, Bloomberg Intelligence analyst Melissa Avstreih writes in note.

Dozens of Democrats Are About To Vote For Racial Discrimination At Car Dealerships

Zach Carter, Huffington Post, 11/16

Dozens of House Democrats are expected to vote this week in favor of legislation that would open the door to racial discrimination in auto lending. The bill would make it easier for car dealerships to overcharge people of color... Car dealers and lenders are attacking the guidance because they do not want the CFPB to enforce antidiscrimination laws in car lending," the nonprofit group **Americans for Financial Reform** wrote in a September letter to lawmakers. "They have known for decades that car dealer markups lead to discriminatory lending, and they would prefer the CFPB ignore this particular injustice."

New Research Shows Major Auto Insurers Charge Good Drivers 70% More in Predominantly African American Zip Codes than in Predominantly White Zip Codes

Consumer Federation of America, 11/18

Good drivers living in predominantly African American ZIP codes are charged significantly higher premiums than similar drivers in largely white communities, even after accounting for population density and income levels, according to a report released today. The Consumer Federation of America reviewed quotes from the five largest insurers by ZIP code and found that, on average, predominantly African American communities are quoted premiums that are 70 percent higher than similarly situated drivers in predominantly white communities ($1,060 vs. $622).

"These findings suggest a troubling pattern of high rates in African American communities regardless of driver history," said Tom Feltner, Director of Financial Services at the Consumer Federation of America. "We are not rushing to judgment about why this happens, but it is urgent that regulators, lawmakers, and the industry take a hard look at these findings and address the impact of high auto insurance prices on drivers living in predominantly African American communities."

Complaint Targets Lawmakers Who Support Payday Lenders

ABC News Dallas (YouTube), 11/17

Both Jeb Hensarling and Pete sessions are suspected of taking campaign contributions from payday lenders closely followed by their votes to protect the industry from threatening legislation… According to ethics complaint filed last month, what Hensarling and Sessions did amounts to taking a bribe from an industry many says takes advantage of the poor.

Missourians deserve an end to payday lending

Tishaura Jones and Joe Valenti, St. Louis Post-Dispatch, 11/17

In Missouri, the average annual interest rate on a payday loan is 444 percent, nearly 30 times higher than a typical credit card rate. Not surprisingly, nearly half of all borrowers eventually default on these loans. One St. Louis-area borrower, Naya Burks, saw her $1,000 loan — unaffordable from the start, at 240 percent interest — turn into a $40,000 debt as her lender applied penalty fees and ultimately attempted to sue.

Yet at almost every turn, rather than standing up for struggling families, Missouri politicians have sided with an industry that profits from working families' financial vulnerabilities. It's time to take predatory lending seriously, and to hold politicians accountable for the distress these lenders bring to communities across the state.

Group calls for Waco payday loan regulations

J.B. Smith, WacoTrib, 11/17

A crowd including pastors, professionals and working people urged Waco City Council on Tuesday to regulate the payday loan industry. About 60 people, most wearing T-shirts from a new group called Citizens for Responsible Lending, supported speakers who denounced payday lending practices as "predatory." Michael Field, a retired Brazos River Authority attorney and administrative law judge, shared his experience of helping his grown daughter six years ago. "My daughter called and asked if I could help her file for bankruptcy," Field said. He learned his daughter had gotten an $800 payday loan that ended up requiring him to spend $12,000 to get her out of it, Field said.

"Her utilities were cut off, and her rent check bounced," he said. "If you don't have a dad to come bail you out, you're sunk. I don't know of another business predicated on the failure of their customers."

It's time to reform the predatory lending industry

Chris Turner, Star Telegram, 11/18

Can you imagine taking out a $500 loan and it costing more than $1,100 to pay it back? Every day in the Fort Worth-Arlington metro area, many of our neighbors are doing just that and paying up to 484 percent in interest and fees on small, short-term “payday” and auto-title loans. These absurd interest rates are completely legal in Texas, due to the inaction of the Legislature, which refuses to pass meaningful reforms to rein in what is largely an unregulated industry.

Ohioans Lose over $500 Million to Payday and Car Title Loan Fees
Charlene Crowell, Charleston Chronicle, 11/19
Although state regulators as well as the legislature have the authority to enforce the voter-approved 28 percent rate cap, neither has exercised that power for seven years. These and other key findings and others appear in a new report, Buckeye Burden: An Analysis of Payday and Car Title Lending in Ohio, from the Center for Responsible Lending (CRL).

Ohio payday lenders thrive despite interest rate caps
Randy Tucker, Dayton Daily News, 11/12

With more payday lenders than McDonald's, a crackdown is needed now, U.S. Sen. Sherrod Brown says
Teresa Dixon Murray, The Plain Dealer, 11/18

Payday lenders still prey on poor
Jim Siegel, The Columbus Dispatch, 11/14

What you need to know before you even think about taking a payday loan
Jim Mertens, WQAD 8, 11/16
"I can't see a situation where it ever pays off, quite frankly," says Ascentra Credit Union president Dale Owen. Owen says payday loan companies are seen as lenders of last resort, but credit unions can be the alternative for those who have what he calls "colorful credit" histories. "Being a realist, I know there's a lot of great people in tough times, tough situations, and they're working their way out of it," Owen said. Opening an account can help build credit, but that takes time.

Profiting from poverty victimizes the poor
Jan Lancaster, Springfield News-Leader, 11/14

Fairfax to control increasing presence of outfits offering high-interest loans
Antonio Olivo, Washington Post, 11/17
Fairfax County officials approved zoning changes Tuesday to restrict where title loan companies and payday lenders could operate, an attempt to control what advocates for the poor say is an increasing problem with high-interest loans in Virginia’s largest jurisdiction. In a 10-0 vote, the county board of supervisors limited such “alternative lending institutions” to heavily traveled roads and areas near train stations or bus depots. The county will also prohibit the businesses from opening in struggling areas of Fairfax that officials hope to revive with new residential and commercial developments.

Payday Lending Rules Apply to Litigation Funding, Colorado Court Rules
Jacob Gershman, Wall St. Journal, 11/17

CFPB Takes Action Against Online Lender for Deceiving Borrowers
CFPB Newsroom, 11/18
The Consumer Financial Protection Bureau (CFPB) took action today against an online lender, Integrity Advance, LLC, and its CEO, James R. Carnes, for deceiving consumers about the cost of short-term loans. The Bureau alleges that the company’s contracts did not disclose the costs consumers would pay under the default terms of the contracts. The Bureau also alleges that the company unfairly used remotely created checks to debit consumers’ bank accounts even after the consumers revoked authorization for automatic withdrawals. The CFPB filed an administrative lawsuit seeking redress for harmed consumers, as well as a civil money penalty and injunctive relief.

[Postal banking would defeat predatory lending for good]

Ira Dember, South Jersey Times, 11/15

The U.S. Postal Service (USPS) inspector general has issued two reports recommending postal banking. Cities, states and the federal government are all trying to crack down on predatory lenders. But that's only half a solution. Where will millions of families living on precariously low wages get the extra couple of hundred bucks they sometimes need to avoid eviction or job loss because the car broke down? Postal banking is the only consistent, affordable, nationwide solution anyone has proposed.

While there are 20,000 payday lender storefronts — more units than Starbucks or McDonald's — there are 30,000 post offices. The majority are located in lower-income ZIP codes that have just one bank branch or none.

[Here's The Dodgy Payday Lender Behind That 'Grassroots' White House Petition]

Zach Carter, Huffington Post, 11/19

When the Obama administration unveiled its "We The People" online petition platform in the fall of 2011, the goal was pretty straightforward: give people an opportunity to petition their government… But when a petition popped up containing details about payday lending regulations proposed by the Consumer Financial Protection Bureau, something other than a grassroots goof-off was clearly in the works. The petition -- which has crossed the 100,000 signature threshold mandating a White House response -- reads like a list of industry talking points written from the perspective of an aggrieved consumer…

Thanks to some sloppy website management by the California Financial Services Providers Association, we now know precisely which company was driving the effort. The CFSPA is just one of a swarm of front-groups who go to bat for payday lenders in various realms of public policy. And they posted four documents on the industry's "Petition Plan" to the public section of their own website. The documents reveal that payday lender ACE Cash Express paid for a "Petition Message Development" to determine the best way to convince its customers to sign the petition. They also show screen shots of the ACE website and email messages to its customers encouraging them to sign the petition.

[NAFCU airs concerns with CFPB on payday rulemaking]

NAFCU Statement, 11/19

Monterrubio reiterated NAFCU's concerns that CFPB's planned rulemaking could affect credit unions' ability to make loans under NCUA's small-amount, short-term lending rule, which NCUA calls the "payday alternative loan" (PAL) rule.

"NAFCU and our member credit unions believe that a blanket rule regulating all parties indiscriminately – good actors and bad actors alike – is likely to hinder the ability of credit unions to serve their members' financial needs," Monterrubio wrote. "We strongly urge the CFPB to carefully craft any future rulemaking to ensure credit unions are not forced to withdraw from providing a viable alternative to predatory payday lenders."

[CFPB Sues Online Payday Lender for Overcharging Borrowers]

Rachel Witkowski, American Banker, 11/18

[Errors Abound in CFPB's Complaint Portal]

Rachel Witkowski, American Banker, 11/17

[American Banker claims CFPB complaint database believed to be unreliable]

Tristian Wolf, CFPB Monitor, 11/19

[Firms poach talent from Obama's prized consumer agency]

Megan Wilson, The Hill, 11/19

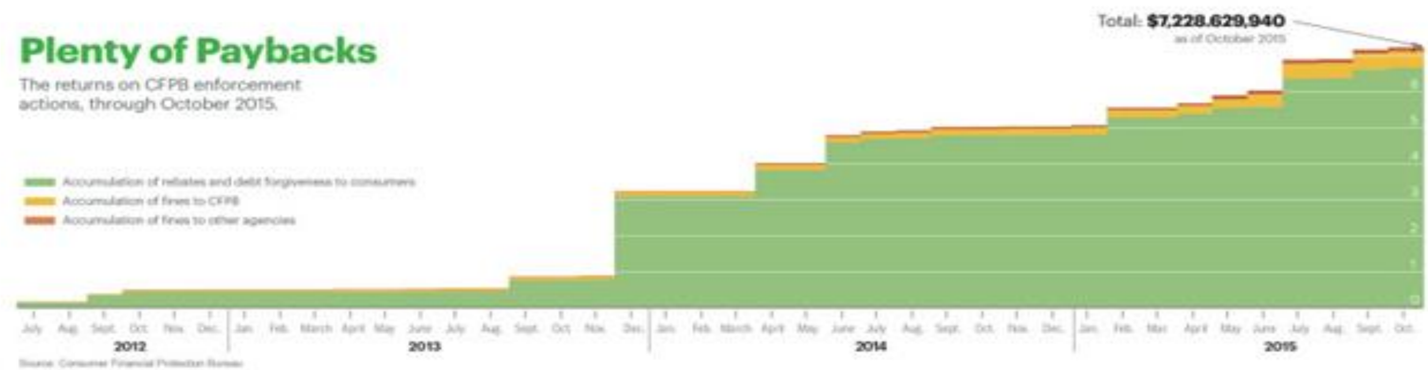
Corporate giants are hiring away officials from the Consumer Financial Protection Bureau (CFPB), gaining inside knowledge of an agency that was created to police their bad behavior. At least 45 former CFPB employees, ranging from investigators and enforcement attorneys to higher-ranking officials who ran the agency, have departed to work at law or consulting firms, corporations and nonprofits since the agency opened its doors in 2011.

A dozen people left the agency for the private sector in 2015 alone. Titans such as JPMorgan Chase, U.S. Bank, Wells Fargo, PricewaterhouseCoopers, PayPal, BlackRock and Bank of America all have former CFPB officials on their payrolls. So do elite K Street firms such as Arnold & Porter, Hudson Cook, Covington & Burling, K&L Gates, DLA Piper, Venable and WilmerHale.

[Emails reveal consumer protection agency's cozy ties]

Anna Palmer, Politico, 11/19

While Elizabeth Warren and other progressives decry the influence of big banks and lobbyists in writing legislation, in this instance, the agency created by Warren to protect consumers from abusive lending leaned heavily on consumer activists as it drafted regulations for the $46 billion payday loan industry. The Center for Responsible Lending spent hours consulting with senior Obama administration officials, giving input on how to implement the rule that would restrict the vast majority of short-term loans with interest rates often higher than 400 percent. The group regularly sent over policy papers, traded emails and met multiple times with top officials responsible for drafting the rule.



[Judgment Day Comes in 2016 for Fledgling Consumer Watchdog]

George Cahlink, CQ Roll Call, 11/16

When voters head to the polls next November, they won't be casting their ballot based on the future of a particular regulator. But the fate of the CFPB — and the slew of new regulations it's created for everything from credit cards to home settlement documents — will very much be on the ballot too.

Among the [Republican] proposals: a shift from having the agency being led by a single director to having it governed by a five-member, bipartisan commission. Of all of the possible changes, that's the most likely to gain support in both parties.

[Fact-checking Politifact on the Consumer Bureau]

Alexis Goldstein, AFR Blog, 11/19

In the latest GOP Presidential debate, Carly Fiorina attacked the Consumer Financial Protection Bureau (CFPB), calling it an agency with "no congressional oversight." That statement is not just "half true" as it was rated by Politifact, a fact-checking website run by the Tampa Bay Times. It's untrue.

DODD-FRANK – ATTACKS AND DEFENSE

[Nichols: ABA Going All-Out on Reg Relief]

ABA Dodd-Frank Tracker, 11/16

In his first official communication to bank CEOs, ABA's Rob Nichols stressed the urgent need for regulatory relief and encouraged bankers to join ABA in going all-out to see legislation enacted by year-end. "The overregulation of banking is unsustainable and poses a real and present danger to communities across the country," Nichols said. "We have a narrow but real opportunity for bipartisan action, and that window will remain open until Congress adjourns in December." After that, election-year politics will make enactment of legislation in 2016 "near-impossible," he added.

"ABA is providing marketing ground cover and working our contacts on Capitol Hill. We'll have our pedal to the metal for the next four weeks. But we need bankers, as constituents and spokespeople for their customers and communities, to go in and close the sale."

Who really benefits from Shelby's financial deregulation

Marcus Stanley, The Hill, 11/16

Earlier this year, Senate Banking Chair Richard Shelby (R-Ala.) introduced the "Financial Regulatory Improvement Act of 2015" -- a massive bill that gives a preview of the kind of regulatory rollbacks the financial industry will try to attach to end-of-year funding bills. In fact, Senator Shelby has already placed the entire bill into appropriations legislation that passed the relevant committee earlier this year…

The most misleading claim made about the bill is that it is a 'community bank' bill. In fact, almost 90 percent of the bill is devoted to provisions that would mostly or exclusively affect some of the largest banks and financial institutions in the country. Only about 10 percent of the bill is devoted to provisions actually limited to community banks and credit unions. As so often happens, rhetoric about 'community banks' is being used to sell regulatory giveaways to big banks and other powerful financial interests.

The GOP's devious Wall Street welfare plan: Why the future of the economy hangs in the balance

David Dayen, Salon, 11/17

You wouldn't know it, but this is a consequential week for the future of financial regulation, and in a larger sense, the future of the economy. Republicans have pulled out a successful playbook, and are planning an assault on Wall Street regulations. They're doing it with the avowed support of a lingering faction of conservative Democrats. And the level of that support, which will be tested in House votes this week, is key to the success of the plan.

The game plan is simple: stick as many riders onto two must-pass bills as possible, holding them hostage to conservative ideology. The bills include a long-term reauthorization of the Highway Trust Fund, which expires shortly, and a package of appropriations bills to keep the government funded, which have a deadline of December 11. Even if the Obama Administration forces some riders out, plenty of other policies would pass into law that would never have a shot on a straight-up vote.

Don't let Congress hurt consumers on the sly

Joshua Boschee, Grand Forks Herald, 11/19

As we move toward the Thanksgiving Recess in Congress, many "must pass" pieces of legislation are on the table in Washington, from the nation's budget to a highway funding bill. The concern regarding these "must pass" bills is that many federal legislators are looking to attach amendments to these bills that have nothing to do with the bill being debated. These amendments are called riders.

Many of these riders are attempts to weaken the CFPB.

Members of the House Democratic Caucus Join Public Interest Groups to Call on House Leadership to Bring a Clean Spending Bill to the Floor

Office of Rep. Ruben Gallego Press Release, 11/19

Washington, DC – On Thursday, Nov. 19, members of the House Democratic Caucus joined public interest groups and progressive organizations to call on House Leadership to reject divisive policy riders in the FY 2016 Omnibus and to bring a clean spending bill to the floor. More than 160 Members of Congress signed a letter to House Leadership calling on them to prevent another unnecessary government shutdown by rejecting poison-pill provisions and partisan brinksmanship.

Lisa Donner, President of **Americans for Financial Reform**, said "Attaching Wall Street deregulation measures or other radical riders to "must-pass" spending bills hands an early Holiday Bonus to Wall Street. Forcing dangerous and unpopular proposals through Congress with a minimum of open debate or public scrutiny is undemocratic. We call on Congress to pass a clean budget."

[Coons opposes any financial regulation riders attached to omnibus]

Colin Wilhelm, Politico, 11/19

Sen. Chris Coons, the ranking member on the Financial Services Appropriations Subcommittee, said today that he opposes any financial regulatory language attached to legislation needed to fund the government.

"We had a meeting earlier today of the [leadership of the House and Senate financial services appropriations committees] and I did not accept a single policy rider that would have changed anything that relates to Dodd-Frank, " Coons told POLITICO.

[A Showdown Over Policy Riders Could Still Trigger a Shutdown]

Robert Weissman and Gene Karpinski, Huffington Post, 11/16

Extreme members of Congress -- just as they did in the run-up to the 2013 government shutdown -- are trying to leverage the need to pass a government-funding bill to block or reverse an astonishingly long list of public safeguards. With little or no debate, they have snuck ideological "policy riders" -- provisions relating to policy issues, not funding allocations -- into their draft spending bills and are hoping that their congressional colleagues and President Obama will be forced to accept at least some of them in a final funding bill.

Thankfully, more reasonable members of Congress and the president have remained resolute in opposing these efforts and were able to negotiate a budget deal that raised the damaging sequestration caps while remaining free from harmful riders. We urge them to continue to insist, as a matter of principle and without engaging in rider-by-rider negotiations, on a clean funding bill with none of the perilous riders included.

[House Takes Aim at Federal Reserve and Financial Watchdog Agency in Advance of Year-End Blitz]

Owen Davis, IB Times, 11/20

The Consumer Financial Protection Bureau (CFPB) and the Federal Reserve each found themselves in the crosshairs of the House of Representatives this week, as Republicans passed bills that would limit the independence of each agency and curtail some regulatory powers. Overshadowed by the afternoon passage of a bill seeking to pause the resettlement of Syrian refugees in the U.S., the two bills would impose changes sharply opposed by President Barack Obama and Democratic officials.

Though both pieces of legislation have slim chances of becoming law, they serve as previews for year-end must-pass bills that congressional Democrats worry will contain unpalatable provisions rolling back financial regulations -- and risk a government shutdown.

ENFORCEMENT

[Going Soft on White-Collar Crime]

Jennifer Taub, NY Times, 11/20

On Wednesday, the House Judiciary Committee passed a [measure] that would severely weaken laws intended to punish – and deter – white-collar crime. Tucked into the bipartisan criminal justice overhaul package, the language could hamper federal prosecutors' deployment of statutes that have been used for more than a century against fraudsters from Charles Ponzi to Bernard L. Madoff.

[U.S. Targets RBS, J.P. Morgan Executives in Criminal Probes]

Aruna Viswanatha, Devlin Barrett, and Christopher Matthews, Wall St. Journal, 11/17

Federal prosecutors are actively pursuing criminal cases against executives from Royal Bank of Scotland Group PLC and J.P. Morgan Chase & Co. for allegedly selling flawed mortgage securities, people familiar with the probes said, as the clock ticks down for bringing cases from the 2008 financial crisis.

Officials are working to establish that the bankers ignored warnings from associates that they were packaging too many shaky mortgages into investment offerings and are weighing whether they can prove that constituted fraud, the people said. At RBS, prosecutors are scrutinizing a $2.2 billion deal that repackaged home mortgages into bonds in 2007…

DOJ reportedly pursuing criminal charges against JPMorgan Chase, RBS executives
Ben Lane, HousingWire, 11/17

EXECUTIVE PAY

AFL-CIO opposes bonuses to government-bound executives
Marianne LeVine, Politico, 11/19
The AFL-CIO Office of Investment filed shareholder proposals asking six financial institutions not to provide special compensation packages to executives leaving for government service. "This practice raises troubling questions about Wall Street's influence over government regulators," AFL-CIO director of office investment Heather Slavkin Corzo said in a written statement. The proposals were sent to Bank of America Corporation, Citigroup Inc., the Goldman Sachs Group Inc., Lazard Ltd., JPMorgan Chase and Company and Morgan Stanley.

FEDERAL RESERVE

Is Congress Driving Over the Federal Reserve?
Zachary Warmbrodt, Politico, 11/20
Even as members of Congress are slamming the Federal Reserve for being too political with its monetary policy, they are plotting to use the central bank as a government piggy bank. Congress is aiming to take billions out of the Fed's accounts to help pay for a new highway and transit bill, but the Fed is balking, registering "strong concerns about using the resources of the Federal Reserve to finance fiscal spending."

But members of Congress who consider the Fed money to be the only politically feasible way to fund a long-term transportation bill are wondering why the central bank didn't try to stir up opposition sooner. The Fed has clearly been in Congress's crosshairs since at least July. Congress has until Dec. 4 to vote on a bill, whether it be a long-term deal or another temporary patch. The broad outlines of a deal could be announced as soon as Friday.

See AFR letter of opposition to HR 3189, "The Federal Reserve Reform Act of 2015"

HEDGE FUNDS AND PRIVATE EQUITY FUNDS

Private Equity And Hedge Funds Targeted By AFL-CIO
Mark Melin, ValueWalk, 11/19
There is a movement among certain pension fund managers to question their investments, a Hedge Funds and Private Equity panel discussion in Washington DC Tuesday hammered out. As "short-termism" in fund manager thinking is used as a backdrop that is juxtaposed to long-term investment lock-ups, increasingly pension funds are questioning the lack of performance and investment strategies that are at odds with long-term economic prosperity.

"Pension funds are universal long-term investors," Heather Slavkin-Corzo, a director in the AFLCIO's Office of Investment, said in a subsequent interview with ValueWalk. "The only way they provide a benefit is to have economic growth. The short-term flipping in one stock is not going to drive long term positive returns that drive member retirement security." Corzo's organization sponsored the event along with **Americans for Financial Reform**, American Federation of Teachers and The Center for Economic and Policy Research.

How Wall Street's Short-Term Fixation Is Destroying The Economy
Daniel Marans, Huffington Post, 11/6
Sen. Tammy Baldwin (D-Wis.) made a passionate call to address one of the leading drivers of income inequality on Friday. The target of her remarks wasn't taxes, the minimum wage or union rights. It was short-term thinking in corporate boardrooms. "Short-termism turns economic growth into a zero-sum game that Wall Street rigs in its favor and Main Street simply can't win," Baldwin said in a speech at the National Press Club. "This explains how the richest country in the world can be amongst the most unequal -- in terms of wealth, in terms of wages, and in terms of opportunities." Baldwin spoke at a panel discussion sponsored by the progressive think tank Roosevelt Institute on corporate "short-termism" -- sometimes known as "quarterly capitalism."

Baldwin said on Friday that the deleterious effect of short-termism on middle-class living standards in Wisconsin had inspired her to act. After a hedge fund took over the storied Wausau Paper Co., it shuttered mills vital to local economies in Wisconsin and other states. A 2012 mill closure in the small town of Brokaw, Wisconsin, which Wausau Paper's former CEO insists could have been avoided if not for the hedge fund's pressure, devastated the town's finances, prompting it to pursue bankruptcy in April.

Velazquez Eyes Hedge Funds Amid Puerto Rico Debt Woes

ValueWalk Staff, 11/17

Rep. Nydia M. Velazquez (D-NY) today delivered a keynote address at an event on Capitol Hill entitled "Hedge Funds and Private Equity: Transferring Wealth Upwards." Following are Velazquez's remarks as prepared for delivery:

"Thanks for having me. This is a timely subject – and I thank the AFL-CIO, **Americans for Financial Reform**, the American Federation of Teachers, and the Center for Economic and Policy Research for organizing this important forum…The financial crisis in Puerto Rico originally drew my attention to hedge funds. As the island's economy took a dramatic turn for the worse in the last 2 years, bond prices plummeted and yields soared. Hedge funds saw this as an opportunity — and began investing heavily. Today, they hold as much as 30 percent of Puerto Rico's securities.

"Unfortunately, they are using this leverage to lobby for draconian cuts that harm residents of Puerto Rico. For example, they issued a report that said Puerto Rico could avoid defaulting by cutting spending. The report accused the island — where 56 percent of children live in poverty — of spending too much on education — even though the government has already closed down almost 100 schools so far this year. Similarly, cutting basic services will hurt working families and retirees. This is just morally unacceptable.

Why Pensions and Hedge Funds Don't Mix

NY Times Editorial Board, 11/20

Year in and year out, public pension managers invest in hedge funds that promise market-beating returns. The stated aim is to narrow the gap between what the pensions have promised future retirees and the money available to meet those obligations. What happens instead is that the pension gaps remain while the hedge funds gorge on fees.

A recent report in The Times by Gretchen Morgenson cited the latest research on pensions and hedge funds. One study, by researchers for the American Federation of Teachers, looked at hedge fund holdings in 11 large public pensions between 2002 and 2015, and found that hedge funds lagged overall plan performance in most years, costing the pensions an estimated $8 billion in lost investment revenue. The hedge funds, meanwhile, collected some $7.1 billion in fees, which averages out to 57 cents for every dollar the pensions kept on their hedge fund investments. In effect, the pensions were looted.

Intel Lawsuit Questions Place of Hedge Funds in Retirement Plans

Gretchen Morgenson, NY Times, 11/20

"We push the boundaries." That's how Intel Corporation, the respected Silicon Valley computing giant, describes its role as an innovator and creator of value for shareholders, customers and society. But pushing boundaries in another area — oversight of its $14.6 billion employee retirement plans — is bringing Intel unwanted scrutiny. Big bets on hedge funds and private equity in those plans drew a lawsuit late last month from a former employee, Christopher M. Sulyma. He contends that these investments have increased risks and costs in the retirement portfolios, hurting plan participants. The lawsuit against Intel and members of its board who oversee the plan's operation and investments is the latest in an increasingly successful line of actions brought against companies offering 401(k) plans to their workers. These cases have argued that the retirement plans were being run in a manner inconsistent with fiduciary requirements

Blackstone sees progress in getting hedge funds into retirement plans

Svea Herbst-Bayless, Reuters, 11/16

[As Investors Shun Debt, Banks Are Left Holding the Bag]
Peter Eavis and Leslie Picker, NY Times, 11/19
As investors have suddenly grown skittish, some big Wall Street banks have been stuck with piles of debt that they are struggling to sell. As a result they are starting to book multimillion-dollar losses as they write down the value of these positions… Private equity firms have been huge users of leveraged loans. They finance their purchases of companies with the loans — and then put the debt on the balance sheet of the acquired company.

After the crisis, bank regulators, concerned that the banks might stoke and then get hurt by excesses in the debt markets, have told the banks to avoid leveraged loan deals that would overburden companies with debt. But even within such constraints, the leveraged loan market has ballooned. Since the end of 2008, for instance, corporations have borrowed $4.6 trillion with leveraged loans, according to data from Thomson Reuters.

Performance of Private Equity Investments of the California Public Employees Retirement System: What are the Issues?
Eileen Appelbaum and Rosemary Batt, Center for Economic Policy Research, 11/16

See joint letter calling on IRS to close Private Equity tax loopholes.

HIGH SPEED TRADING AND FINANCIAL TRANSACTION TAX

Plan for New Stock Exchange Stirs Furious Debate
Nathaniel Popper, NY Times, 11/16
A proposal to create the first new American stock exchange in five years has set off a fierce debate over how to solve problems created by increasingly complex and high-speed stock markets. The proposal comes from the Investors Exchange, or IEX, a company that became a symbol of the fight against high-frequency trading detailed in Michael Lewis's book "Flash Boys." Simply put, the application submitted by IEX to regulators in September explains that as an exchange it intends to use a 350-microsecond "speed bump" to stand in the way of traders that place and cancel orders more frequently than that.

Clinton and Sanders are divided over a big Obama promise: Not raising taxes on the middle class
Jim Tankersley, Washington Post, 11/13
To offset his spending plans, Sanders has detailed a batch of tax increases mainly targeted at corporations and the highest income earners. Those include new taxes on financial transactions such as stock trades and on income that corporations are sheltering in tax savings overseas, ending a preferential tax treatment that benefits hedge fund managers, boosting estate taxes and eliminating the cap on income subject to payroll taxation for earners who make more than $250,000 a year… Overall, Sanders's campaign estimates that his tax proposals would bring in an additional $6 trillion revenue over 10 years, half of that from the financial transaction tax. Other outside estimates suggest the yield from that tax would be much lower — about $500 billion over 10 years, according to the independent Tax Policy Center.

INVESTOR PROTECTION AND THE SEC

SEC proposes dark pool transparency rules
Patrick Temple-West, Politico, 11/18
Dark pool stock trading venues would face more transparency requirements under rules the SEC proposed today. While last year's uproar about stock trading unfairness has waned on Capitol Hill, the SEC is updating its rules for the sector in the wake of Michael Lewis's bestseller "Flash Boys," which was published in April 2014.

Part of the agency's stock market focus involves more than 40 "alternative trading systems," or dark pools, registered with the SEC. The biggest dark pools are run by UBS, Credit Suisse and IEX, which has applied to be an exchange. Stock trading in dark pools has grown to about 18 percent of volume in recent years. The proposed rules would require dark pools to disclose conflicts of interest, like whether these businesses or any of their affiliates are participating in the dark trading.

[SEC's Mary Jo White rips bill to ease restrictions on BDCs]

Mark Schoeff Jr., InvestmentNews, 11/13

Backers of legislation that would ease regulations for business development companies hope that bipartisan momentum will propel it to a House floor vote even as Securities and Exchange Commission Chairman Mary Jo White cautions that the changes could hurt retail investors. The House Financial Services Committee on Nov. 4 approved the Small Business Credit Availability Act, 53-4. The bill would allow BDCs to raise their leverage limits from 1:1 to 2:1, increase the amount of money that they can invest in financial firms, and allow them to own asset managers and advisory firms.

An opponent of the measure said that BDCs are much more expensive for investors than other regulated funds and that BDCs should make internal reforms before turning to Congress.

"If they want to grow further, they can reduce their fees, which are way out of line with funds that invest in similar assets," said Marcus Stanley, policy director at **Americans for Financial Reform.**

[SEC indicates timing, substance of 'accredited investor' reform]

Mark Schoeff Jr., InvestmentNews, 11/19

MORTGAGES & HOUSING

[Study Strongly Links Baltimore Mortgage Denials to Race]

Peter Eavis, NY Times, 11/16

The black population of Baltimore is double that of the white population. Yet in 2013, banks made more than twice as many mortgage loans to whites in the city as they did to blacks. The stark difference in mortgage lending, derived from the most recent government mortgage data, is the focus of a new study that will be released on Tuesday by the National Community Reinvestment Coalition, a consumer advocacy group…

One of the chief concerns among consumer advocates is that banks have effectively written off certain neighborhoods. Lenders, for instance, may shun creditworthy borrowers in neighborhoods where blacks are the majority because they may not believe that house prices will rise by much in such areas. But if banks avoid economically challenged areas for that reason, it could make it more unlikely that house prices will rise.

[Poll Shows Overwhelming Support for Mortgage Rule at Risk in House Vote Next Week]

RealEstateKarma, 11/16

A key mortgage lending reform – which would be rolled back by a bill coming up for a vote in the House of Representatives next week – commands the support of an overwhelming majority of voters, according to a poll conducted this summer by Lake Research on behalf of **Americans for Financial Reform** and the Center for Responsible Lending.

[House votes to roll back mortgage rules]

Lydia Wheeler and Cristina Marcos, The Hill, 11/18

The House passed legislation Wednesday that critics argue rolls back regulations for mortgages that were created to prevent the bad lending practices responsible for the financial crisis of 2008. The Portfolio Lending and Mortgage Access Act, which was introduced by Rep. Andy Barr (R-Ky.), passed by a 255-174 vote. The bill extends a federal exemption meant for small and rural banks to all banking institutions.

The Consumer Financial Protection Bureau (CFPB) issued regulations last year that require lenders to ensure a borrower's ability to repay a loan in order to obtain a qualified mortgage status, which provides lenders a "safe harbor" protection from federal penalties and lawsuits brought by borrowers who have defaulted on their loans. But the bureau created an exemption to allow small and rural banks to achieve that qualified mortgage status without following the ability-to-repay rule, which requires a borrower's debt-to-income ratio to be 43 percent or less. Banking organizations, which support extending the exemption, argued that the rule was too restrictive and caused mid-size community bankers to decrease or eliminate their mortgage businesses.

[FHA Meets Minimum Reserve Requirement for First Time Since 2009]
Joe Light, Wall St. Journal, 11/16

POLITICAL INFLUENCE OF WALL STREET

[Wall Street Opens Its War Chest]
Mark Whitehouse, Bloomberg, 11/16
This December could be Wall Street's best chance in a while to roll back financial regulation. Judging from the amount of money the industry has been spending on lobbying, it's preparing for battle. The catalyst is a deadline that President Barack Obama and Congress must meet: If they don't agree on a $1.1 trillion spending bill by Dec. 11, the government may have to shut down. This provides lawmakers with an opportunity to tack riders onto the must-pass legislation, including some gifts to the financial industry that the White House has resisted.

On Wall Street's wish list: delaying a fiduciary rule designed to make sure brokers offer older folks unconflicted advice, and limiting regulators' power to subject large financial institutions to extra scrutiny. Ahead of what could be a major showdown with financial-reform advocates such as Senator Elizabeth Warren, Wall Street's lobbying budget has increased sharply. Data compiled by Bloomberg Government show that five groups representing the financial industry, along with the six largest U.S. banks, spent $14.7 million in the third quarter of 2015.

[Saturday's Democratic Debate: Does 9/11 Justify Wall Street Donations?]
Dave Johnson, Campaign for America's Future, 11/16
The major story coming out of the debate was candidate Hillary Clinton's invoking of 9/11 to justify her Wall Street speaking fees and campaign contributions. Sanders (from CBS transcript): "Now, why do they make millions of dollars of campaign contributions? They expect to get something. Everybody knows that. Once again, I am running a campaign differently than any other candidate. We are relying on small campaign donors, $750,000 and $30 apiece. That's who I'm indebted to."

Clinton: "Oh, wait a minute, senator. You know, not only do I have hundreds of thousands of donors, most of them small, I am very proud that for the first time a majority of my donors are women, 60 percent. So I– I represented New York. And I represented New York on 9/11 when we were attacked. Where were we attacked? We were attacked in downtown Manhattan where Wall Street is. I did spend a whole lot of time and effort helping them rebuild. That was good for New York. It was good for the economy. And it was a way to rebuke the terrorists who had attacked our country."

[Hillary Clinton invoked 9/11 to defend her ties to Wall Street. What?]
Janell Ross, Washington Post, 11/15

[Clinton's Wall Street Donors Say More Than 9/11 Built Their Bond]
Max Abelson, Bloomberg, 11/16

[Campaign: Hillary Clinton Not Tying Wall Street Donations to 9/11]
Laura Meckler, Wall St. Journal, 11/16
On Monday, the Clinton campaign held a conference call for reporters to discuss Wall Street regulation. Asked about her 9/11 remarks, Press Secretary Brian Fallon said that she was offering one explanation for why she worked on Wall Street's behalf. "I think some of the commentary that has arisen … is just mistaken," Mr. Fallon said. "To suggest that she of all people would politicize 9/11 is an outrageous notion. "He pointed out that she was asked about her statement later in the debate, and at that point she replied that lots of people have given her money even though they don't agree with her on everything.

[Hillary Clinton Told Wall Street To 'Cut It Out'—Not So Much, the Record Shows]
Jeff Gerth, Politico, 11/15
Last April, during her first official appearance as a presidential candidate in Iowa, she said: "There's something wrong when hedge fund managers pay lower taxes than the nurses or the truckers that I saw on I-80 as I was driving here."

Her aides told reporters she was referring to the so-called carried-interest loophole, which taxes compensation earned by private equity partners and hedge fund managers at a lower rate than ordinary earned income.

What they didn't say was that Clinton never signed onto the bipartisan June 2007 bill that would have curbed the break.

RETIREMENT SECURITY & FIDUCIARY DUTY RULE

A New Threat to Your Retirement

Teresa Tritch, NY Times, 11/19

In April, the Labor Department proposed an important rule designed to protect Americans' retirement savings by requiring advisers to act in their clients' best interests — and not their own. As things stand now, brokers, insurance agents and other salespeople — who often call themselves "consultants" or "advisers" — are allowed to steer clients into high-priced products and strategies when comparable and cheaper ones are available.

Last month, 47 House Democrats asked the administration to delay the final rule — a tactic that could ultimately defer it until the end of next year and, possibly, kill it. Now comes another, even more aggressive threat — legislation being crafted by a bipartisan foursome in the House that would pre-empt the rule before it even emerges from the Labor Department. The four are two Democrats, Richard Neal of Massachusetts and Michelle Lujan Grisham of New Mexico; and two Republicans, Peter Roskam of Illinois and Phil Roe of Tennessee.

Wall Street Has a Unique Way of 'Protecting' Small Investors

Susan Antilla, The Street.com, 11/16

The DOL, as the embattled agency is known, is recklessly seeking to raise the standards required of stockbrokers who give advice about retirement savings, its critics say. Yes, I meant to say "raise" the standards, not "lower" them. And if you don't understand why rules to improve stockbroker conduct would be a terrible thing for mom and pop investors, it just means you don't have an appreciation for the special way that powerful people think.

I refer to these finance professionals as "stockbrokers" or "salespeople," by the way, because they aren't held to the same regulatory standards expected of real investment advisers. But they give themselves titles like "financial advisers" anyway, and cross their fingers that you don't know the difference. Earlier this year, a government study concluded that investors lose $17 billion a year as a result of the conflicted advice they're given about their retirement money.

Wall Street has nonetheless made progress pushing the argument that the DOL's more demanding expectations of salespeople will hurt low- and middle-income investors. Critics of the rule argue with a straight face that securities firms won't be able to afford to do business with low-balance customers if they can't steer those people to high-fee products. So they'll just stop serving them, the threat goes.

SEC Chair Tamps Down Expectations on Investment Advice Rule

Gabe Rubin, Morning Consult, 11/18

Opponents of a Labor Department proposal to tighten standards for investment advisers want the Securities and Exchange Commission to take charge of the rule making process. But SEC Chair Mary Jo White warned Wednesday that no such rule would be coming anytime soon.

Members of the House Financial Services Committee implored White to reclaim the SEC's "exclusive purview" over regulating financial advisers under the Dodd-Frank financial law rather than allowing the Department of Labor to move forward with its proposed standard. "The SEC has an opportunity to act and stop the Labor Department from making financial advice and retirement planning less available and more expensive for Americans with low and moderate incomes," said Chairman Jeb Hensarling (R-Texas). "This we hope they successfully do."

House Democrat fiduciary fans want colleagues to resist alternative legislation

Patrick Temple-West, Politico, 11/19

Two House Democrats are calling on their colleagues not to support any legislative alternative to the Obama administration's proposed rule for brokers who offer retirement investing advice to customers. Earlier this month, two

Democrats joined with two Republicans to publish a list of "principles" they hope could become legislation that would be an alternative to the Labor Department's fiduciary rule.

Proposed in April, the fiduciary rule is a top priority for the Obama administration to finish before the president leaves office. But it has been opposed by insurance companies, brokerage firms and other businesses because it risks hurting their revenues. The lawmakers who offered the principles warned the rule could have unintended consequences that could do damage as soon as it's finalized. In a Nov. 17 letter, Reps. Maxine Waters and Robert Scott said they don't have a problem with the seven principles their colleagues floated, but Congress should let the fiduciary rule proceed.

STUDENT LOANS & FOR-PROFIT EDUCATION

Education Management Ends Recruitment Suits for $95 Million

Andrew Harris and Janet Lorin, Bloomberg, 11/16

Education Management Corp., an operator of for-profit colleges partly owned by Goldman Sachs Group Inc., agreed to settle whistle-blower lawsuits in which it's accused of illegal recruiting practices for $95.5 million, the largest such accord in American history, U.S. Attorney General Loretta Lynch said. The Pittsburgh-based company operated a "high pressure recruitment mill," paying recruiters based on the number of students they persuaded to enroll, Lynch said Monday at a Washington press conference. The for-profit college sector has been imploding, as federal and state regulators have been reining in schools, accusing them of preying on low-income students and saddling them with student loans they can't repay.

Education Management to Pay $95.5 Million to Settle Federal, State Charges

Devlin Barrett, Wall St. Journal, 11/16

For-Profit College System Expected to Pay Millions

Stephanie Saul, NY Times, 11/15

Financial arm of the Department of Education falling down on the job, watchdog says

Danielle Douglas-Gabriel, Washington Post, 11/18

Government watchdogs skewered the financial arm of the Department of Education on Wednesday for sloppy communication with contractors, colleges and borrowers, raising concerns about the division's ability to manage more than $1 trillion in federal student loans and grants.

The aptitude of the Office of Federal Student Aid, which administers all federal loan, grant and work-study programs, came into question at a joint House hearing on the division. Testimony from the Government Accountability Office and the department's inspector general detailed lax oversight of schools receiving aid and student loan servicers, the middlemen who collect and apply borrower payments.

Federal Student Aid Office Calls Failure A Success -- And Hands Out Big Bonuses

Shahien Nasiripour, Huffington Post, 11/19

In 1998, the Republican-led Congress and President Bill Clinton's Democratic administration decided to give the U.S. Department of Education's financial aid office more freedom to run the student loan program in exchange for it committing to measurable goals. It may have been a huge mistake.

That's the takeaway from a congressional hearing Wednesday that featured blistering criticism from government watchdogs, House Republicans and higher education experts directed at the Office of Federal Student Aid and its chief, James Runcie, for what they described as sloppy oversight of loan contractors and for-profit colleges, inconsistent and poor communication to schools, and an agency culture that chafes at criticism and oversight and seemingly rewards failure. Late payments on student loans have risen in recent years despite generous repayment options, lower joblessness, higher wages and an improving U.S. economy. Federal regulators have found evidence that some of the Federal Student Aid office's loan contractors have misled borrowers. State attorneys general and the federal Consumer Financial Protection Bureau have sued FSA-overseen schools for allegedly swindling students, conduct that FSA missed or ignored for years.

Ed Dept. in the Hot Seat
Michael Stratford, Inside Higher Ed, 11/19

3 Ways the Education Dept. Stands Accused of Mismanaging Student Aid
Kelly Field, Chronicle of Higher Ed, 11/19

New rules hope to make universities more accountable for getting students jobs
Eric Schulzke, Desert News National, 11/15

Folly of For-Profit Schools
Transylvania Times, 11/19

SYSTEMIC RISK

Five Reasons Glass-Steagall Matters
Richard Eskow, Campaign for America's Future, 11/17
Bernie Sanders wants to implement a new version of the law, which was repealed in 1999 after having been in effect for more than 75 years. Hillary Clinton, on the other hand, is not calling for its reinstatement. Sen. Sanders is right. Here are five reasons why it is important to reinstate the Glass-Steagall Act.

1. Too-big-to-fail banks are bigger, riskier and more ungovernable than ever. America's largest banking institutions are even larger now than they were before the 2008 financial crisis. The nation's six largest banks issue more than two-thirds of all credit cards and more than a third of all mortgages. They control 95 percent of all derivatives and hold more than 40 percent of all U.S. bank deposits…

Bernie Sanders' Political Revolution
Tim Dickinson, Rolling Stone, 11/18
Q: You have said that on Wall Street "fraud is a business model." Are we still vulnerable to a speculative crash?
A: Absolutely. Absolutely. We bailed out Wall Street because the major banks were "too big to fail." Today, three out of the four largest banks are much larger than they were when they were too big to fail. Do I worry about the possibility of having to bail them out again? I do. Congress does not regulate Wall Street, Wall Street regulates Congress.

If you look at Wall Street just from a competitive situation, the six largest financial institutions have assets of about $10 trillion – which is equivalent to about 60 percent of the GDP of this country. They issue two-thirds of the credit cards, 35 percent of the mortgages in this country; they have 40 percent of all bank deposits. For that reason alone, Glass-Steagall should be re-established and the large financial institutions should be broken up. They're just too powerful. And I believe it. It's not just rhetoric. If a bank is too big to fail – which they are – they are too big to exist.

OTHER TOPICS

4 years after Occupy Wall Street, big banks are hurting
Heather Long, CNN, 11/19
Bashing Wall Street has become a popular 2016 campaign issue -- and not just for far-left candidates like Bernie Sanders. The last Republican debate on Fox Business struck a very anti-Wall Street tone. John Kasich said bankers "need a good ethics lesson." Ted Cruz quipped that big banks "get in bed with big government." Donald Trump has gone as far as saying hedge fund managers are "getting away with murder."

"The public is still upset about the financial crisis," says Alexis Goldstein, who worked on Wall Street for 7 years before joining the Occupy movement. Now she is a senior policy analyst at **Americans for Financial Reform**. "The focus on inequality... is very much a legacy of Occupy Wall Street," argues Goldstein.

As stock buybacks reach historic levels, signs that corporate America is undermining itself
Karen Brettell, David Gaffen, and David Rohde, Reuters, 11/16