Americans for Financial Reform

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CONSUMER FINANCE & THE CFPB

CFPB Releases Complaint Report

Heather Anderson, CreditUnionTimes, 9/22

The CFPB on Monday released its latest monthly consumer complaints snapshot, which highlighted mortgage complaints. According to the report, consumers continued to face problems with mortgage servicing, particularly when they applied for a loan modification to avoid foreclosure. As of Sept. 1, the Bureau had handled more than 702,900 complaints across all products…

- More than half of mortgage complaints had to do with problems consumers faced when they were unable to make payments. Consumers complained of delays and a lack of information when applying for a loan modification. Additionally, consumers complained that servicers often moved forward with foreclosure proceedings while the consumer's modification application was still under review.
- Consumers reported experiencing confusion and frustration about where to make payments when loans were transferred. When the loan transfers occurred, consumers complained that payments often increased unexpectedly. Consumers also said they did not feel properly informed about their loans being transferred in the first place.
- Nearly one-third of mortgage complaints came from consumers saying that they had trouble making payments on their mortgage loans. Consumers described companies not accepting payments of anything less than the full balance owed or finding that their payments were not properly applied.

Postal Banking: A Lifesaver for America's Poor

Mehrsa Baradaran, American Banker, 9/24

Many policymakers have inferred this obligation on the part of banks and have attempted to force banks to extend credit beyond their preferred customer base. The banking industry has vigorously opposed these efforts, but the democratization of credit is not an issue that should be left to the banks. The supply of credit has always been a public policy issue, with banks functioning as intermediaries. Insofar as the state enables credit markets, all creditworthy Americans deserve equal access to credit, especially because reasonable and safe credit can provide a smoother path both through and out of poverty. If banks are not providing credit to the poor, the state should provide it directly.

The existing post office framework represents the most promising path toward effectuating such a public option. American banks long ago deserted their most impoverished communities, but post offices, even two centuries later, have remained — still rooted in an egalitarian mission. There have never been barriers to entry at post offices, and their services have been available to all, regardless of income.

Elizabeth Warren Tells Stephen Colbert "the Game Is Rigged"

Patrick Caldwell, Mother Jones, 9/24

As usual, Warren wanted to talk less about electoral politics and instead squeeze in a bit of policy wonkery. The Massachusetts senator spent the bulk of the interview focused on one of her favorite topics: attacking trickle-down economics as conservative hocus-pocus that's robbed the country of the resources needed to invest in the future. "One hundred percent of income growth in this country since the 1980s," Warren said, "has gone to the top 10 percent, and that's not only wrong, that is going to destroy our country unless we take our government back."

[Consumer Financial Protection Bureau Finalizes Rule to Facilitate Access to Credit in Rural and Underserved Areas]
Consumer Financial Protection Bureau, 9/21

[Consumer complaints on payday lending are down, report shows]
Lydia Wheeler, The Hill, 9/23

DODD-FRANK (AND CONTINUED ATTACKS)

[Jeb Bush Proposes Rollback of Regulations]
Beth Reinhard and Nick Timiraos, Wall St. Journal, 9/22
Republican presidential candidate Jeb Bush on Tuesday proposed a sweeping rollback of federal regulations on the environment, Wall Street and other areas, saying a buildup of rules during the Obama administration has stifled economic growth…The former Florida governor is also trying to position himself as a policy expert in a primary generally lacking in details, particularly on the economic front.

[Dewey, Cheatem & Howe]
Paul Krugman, NYTimes, 9/25/15
This week Jeb Bush, who has an uncanny talent for bad timing, chose to publish an op-ed article in The Wall Street Journal denouncing the Obama administration for issuing "a flood of creativity-crushing and job-killing rules." Never mind his misuse of cherry-picked statistics, or the fact that private-sector employment has grown much faster under President Obama's "job killing" policies than it did under Mr. Bush's brother's administration.

Mr. Bush calls for a rollback of financial regulation, repeating the thoroughly debunked claim that the Dodd-Frank law actually encourages banks to become too big to fail. (Markets disagree: Judging by their borrowing costs, big banks have lost, not gained, since Dodd-Frank went into effect.) Because why should we think that letting banks run wild poses any risks?

[Jeb Bush Has No Clue About Business Regulation]
Kevin Drum, Mother Jones, 9/23
It never hurts to check up on these presidential candidates, does it? Jeb has many statistics in his piece, and I'd take them with the same grain of salt as his World Bank numbers. He also promises that in his administration every regulation "will have to satisfy a rigorous White House review process, including a cost-benefit analysis." Apparently he doesn't realize that this is already the case. As for the outrageous regulations he promises to repeal on Day One, this would mostly benefit big campaign donors, not the yeoman entrepreneurs he claims to be sticking up for.

[Jeb Bush takes aim at Dodd-Frank]
Joseph Lawler, Washington Examiner, 9/22
Republican presidential candidate Jeb Bush released a plan Tuesday that calls for the repeal or reform of the 2010 Dodd-Frank financial reform law, one of the Democratic Party's most prized legislative achievements.

Bush's reform proposal would aim to halt growth in government rules on business. Among its chief provisions is a requirement that, for each new rule, regulators would have to eliminate an existing rule of equivalent economic significance. The plan takes specific aim at the financial regulators, which have grown in size and authority in the wake of the financial crisis.

Is Dodd-Frank Doing Its Job?

Thomas Vartanian, American Banker, 9/23

In 2010, the Dodd-Frank Act attempted to limit future risks to the financial system with a laundry list of new restrictions and standards for financial institutions. Five years later, it's unclear whether the wave of new regulation has been a worthwhile trade-off…

It's worth noting that the public's negative perception of the financial industry is still intact. According to a recent survey of 1,000 Americans on behalf of the progressive nonprofit group **Americans for Financial Reform** and the Center for Responsible Lending, 91% of voters believe that it is important to regulate financial services to level the playing field for consumers. Voters would support even more oversight of financial companies by a margin of 3:1.

Bill aims to shed light on 'shadowy' board of regulators

Kevin Cirilli, The Hill, 9/18

Rep. Scott Garrett (R-N.J.) reintroduced legislation on Friday aimed at increasing transparency of an interagency board of federal financial regulators. Garrett, a member of the House Financial Services Committee, said the legislation is needed to allow the public to see how the Financial Stability Oversight Council (FSOC) makes its decisions.

The 2010 Dodd-Frank Law created the FSOC, which regulates risk for the financial markets and is made up of the nine heads of the financial regulatory agencies.

Dodd-Frank doesn't address the cause of the financial crisis

Eric Grover, Washington Times, 9/24

ENFORCEMENT

Elizabeth Warren's truth in sentencing bill for corporate crime just passed the US Senate

Matthew Yglesias, Vox, 9/22

The US Senate today passed a bill by Elizabeth Warren that will force federal regulators to fully disclose the terms of any settlement or deferred prosecution agreement that they reach in a major case.

Her concern is that regulators — in particular the ones responsible for monitoring Wall Street — often announce a tough settlement with an eye-popping dollar figure to grab good headlines, while quietly burying the news that the real penalty is significantly less impressive. Most people don't know, for example, that these settlement fees are usually tax deductible, so a profitable company can slice a third of the price of the fine right off the top. Settlement agreements also at times "credit" companies being penalized for continuing to do things that they are already doing. Warren's proposed rule would force federal agencies to post settlement agreements on their websites, and require agency press releases and other written material to fully explain tax and credit issues.

Why the DOJ Needs to Hold Individuals Responsible for Corporate Crime

David Dayen, American Prospect, 9/24

The Justice Department must live up to their promises and actually hold individuals responsible for defrauding the public and polluting the globe. Through a quirk of timing, the public learned of VW's fraud just days after DoJ vowed to prioritize individual prosecutions of corporate criminals. There is no better test case for whether they mean what they say.

Overnight Regulation: CFPB takes its first action against redlining

Lydia Wheeler and Tim Devaney, The Hill, 9/24

The Consumer Financial Protection Bureau (CFPB) and the Department of Justice (DOJ) are seeking a court order to force a northeast bank to pay $27 million to increase fair access to credit in neighborhoods where it allegedly discriminated against black and Hispanic residents. This is CFPB's first-ever action against so-called redlining practices and if approved by a judge, the feds will have won the largest settlement in a case of this kind in history.

Study by law professor says U.S. SEC pads enforcement statistics

Sarah Lynch, Reuters, 9/24

The U.S. Securities and Exchange Commission's metrics for computing annual enforcement statistics are "deeply flawed," making the agency falsely appear as though it is getting tougher every year, a new academic study concluded.

The draft study by Emory University law professor Urska Velikonja, slated to be published in the Cornell Law Review, examined 15 years' worth of SEC enforcement data. It found that a host of problems, including double-counting cases, has enabled the SEC to "mask the fact that core enforcement has remained steady since 2002."

SEC Puffs Up Enforcement Stats, Study Finds

Ed Beeson, Law360, 9/23

The U.S. Securities and Exchange Commission has been inflating its enforcement statistics in a way that makes it appear it has brought more standalone cases than it actually does and has hauled in more financial sanctions than it actually collects, according to a new academic study.

Examining 15 years of data, Emory University's Urska Velikonja has found the SEC has been able to puff up its annual enforcement tallies simply by counting follow-on proceedings and secondary actions against individuals and others it has already sued or settled with as their own unique cases.

EXECUTIVE PAY

Cards on the Table: the SEC's New CEO Pay Disclosure Rule

Rob Larson, CounterPunch, 9/24

Exploding pay packages for Fortune 500 and Wall Street CEOs were briefly back in the headlines this summer, as the US Securities and Exchange Commission has finally approved a rule requiring Wall Street and other companies to calculate the ratio of the CEO's pay to a median worker's. The new rule, part of the Dodd-Frank finance reform bill of 2010, applies to larger domestic firms, went into effect after a 3-2 party-line SEC vote. That narrow margin reflected opposition from the US Chamber of Commerce—the dominant business organization—versus over a quarter million public comments that swamped the SEC, mostly supportive of the rule.

Jamie Dimon Reduces Income Inequality

Barry Ritholtz, Bloomberg, 9/23

Dimon, a billionaire, was speaking at an event in Detroit last week when he noted the positive effects technology was having on inequality, even with wages stagnant for so many workers for so long. "It's not right to say we're worse off," he said. "If you go back 20 years ago, cars were worse, health was worse, you didn't live as long, the air was worse. People didn't have iPhones."

If you really want to understand wealth and income disparity, consider looking at the gap between rich and poor on things such as life expectancy, educational opportunities and career options. Even simple things like access to fresh food or quality medical care are wildly disparate and widening. Contrary to what some think tanks claim, these things are not becoming more available -- even for the middle class.

HEDGE FUNDS AND PRIVATE EQUITY FUNDS

Liberal Senators Urge Treasury to Limit Carried Interest Tax Break

John McKinnon, Wall St. Journal, 9/22

A group of liberal senators on Tuesday urged the Treasury Department to crack down on a tax break benefiting Wall Street investment managers, the latest effort by Democrats to draw attention to the issue of "carried interest."

In a letter, Democratic Sens. Elizabeth Warren of Massachusetts, Al Franken of Minnesota, Tammy Baldwin of Wisconsin and Sheldon Whitehouse of Rhode Island urged the Obama administration to complete proposed rules that would limit investment managers' ability to get the tax break on part of their income.

"Just like teachers, firefighters, police officers, and all other hardworking taxpayers, wealthy fund managers must pay ordinary income tax on their salaries," the four said in the letter to Treasury Secretary Jacob Lew.

Why The Fight About Carried Interest Is Different This Time

Erika Murphy, Globe St., 9/21

Politicians agree, carried interest must go. The political discourse has highlighted the issue, starting with Donald Trump, who is currently commanding the nation's bully pulpit with his campaign for the GOP nomination for presidential candidate. Trump called for an end to the carried interest tax break recently and while one Republican's proposal may have ended the discussion, another GOP presidential candidate Jeb Bush, also called for it in his tax proposal.

Democrats, including most notably President Obama, joined the chorus but their position was to be expected. Republicans have been, in the past, an unbreakable force standing firm against any changes. Now, not only are the most visible Republican presidential candidates calling for its elimination but a few of the so-called underdog candidates, such as Bobby Jindal and George Pataki, are as well.

A Loophole for the Rich

Valley News, 9/22

Eliminating the "carried-interest" loophole that gives hedge fund and private equity managers preferential tax treatment on much of their compensation. The Treasury Department estimates that eliminating this scam, which lines the pockets of the 1 percent, would produce nearly $18 billion over 10 years in additional tax revenue, although some academic experts put the number much higher.

Tribes of New York: Trump's War on 'Hedge Fund Guys' has Deep Roots

Ben Walsh, Huffington Post, 9/24

Trump has pledged to do away with the carried interest tax loophole, which allows wealthy fund managers to avoid billions of dollars in taxes by treating their income as capital gains rather than salaries.

In substance, Trump isn't wrong to point out that the carried interest tax loophole is unfair and bad public policy. New York University economics professor Paul Romer told HuffPost that it's a bad idea to use the tax code to reward behavior that society wants to encourage. It's unclear if tax breaks are actually worth the lost revenue, he said, and often, tax breaks get expanded and exploited in perverse ways over time.

Hedge Funds Buy HUD Homes For 65% Of Value; Evict Families

Clayton Browne, ValueWalk, 9/24

The U.S. government has been selling Hedge Funds occupied homes for 65 cents on the dollar, and then turning a blind eye when the hedge funds kick the hapless homeowners out six months later. The Federal Housing Administration (FHA) (which is part of HUD) introduced a low-profile special program to sell homes in the foreclosure process to private investors almost five years now. Billions of dollars' worth of mortgages all across the country have been sold to hedge funds and other private investors under the program.

HIGH SPEED TRADING AND FINANCIAL TRANSACTION TAX

The New Bond Market: Regulators Scramble to Keep Up

Ryan Tracy and Andrew Ackerman, Wall St. Journal, 9/23

The technology-fueled world of finance has grown faster, more sophisticated and incredibly complex. Meanwhile, the $12.8 trillion U.S. Treasury market is still governed by rules adopted during the age of paper filings and telephone trading. The mismatch became evident to regulators probing how the yield on the 10-year Treasury note could plummet by 8% – then shoot back up and nearly level off just 12 minutes later – as it did last October in what has been billed a "flash crash." Some government investigators were surprised to learn that lightly supervised firms using fast, automated strategies now represent about half of trading volume on a typical day, according to people familiar with the probe. They also couldn't quickly access the sort of minute-by-minute trading records that are now standard for stocks and other bonds.

[Takeover of Treasury market by high-speed firms catches regulators by surprise]()
Francine McKenna, MarketWatch, 9/24

[The New Bond Market: Algorithms Trump Humans]()
Katy Burne, Wall St. Journal, 9/23
Computerized trading strategies, or algorithms, are remaking the $12.7 trillion Treasury market, emulating earlier sea changes in stock and currency trading.

Firms using algorithms say they are expanding the flow of orders and making pricing smoother, but skeptics see signs the firms are intensifying tumult at market turning points because of their speed.

Regulators haven't fully concluded what the growing presence of algorithmic trading means for the Treasury market, but data show they now account for an increasingly large proportion of volumes.

[Jeremy Corbyn and Bernie Sanders' Surge Boosts Wall Street Tax]()
Sarah Anderson, Huffington Post, 9/22
There have been major happenings of late for the financial transaction tax. After many years (okay, let's face it -- decades) on the fringe, the idea of a small tax on Wall Street trading has moved solidly into the center of mainstream debate. The Vermont senator's surge has done a great deal to elevate the financial transaction tax in this country. Sanders made it a core part of his Wall Street reform plan, arguing that it would "reduce risky and unproductive high-speed trading and other forms of Wall Street speculation." Revenue would be large enough, he says, to provide debt-free public college education.

INVESTOR PROTECTION AND THE SEC

[SEC said to finalize crowdfunding rules as early as October]()
Patrick Temple-West, Politico, 9/23
Landmark SEC rules allowing small and startup businesses to sell shares to investors over the Internet will be finalized as soon as late October, multiple sources have told POLITICO.

As part of the 2012 JOBS Act, which broadly scaled back fundraising regulations for companies, the SEC was tasked with writing equity "crowdfunding" rules. In October 2013, the agency's commissioners unanimously proposed the rules, but they stalled amid concerns about investor protections and applicability for businesses.

MORTGAGES & HOUSING

[Mortgage Rules Not Chilling Market as Feared, Data Shows]()
John Heltman, American Banker, 9/22
Consumer Financial Protection Bureau's mortgage rules have not had the negative effect on lenders' ability to issue loans that many critics expected, according to data released Tuesday. In the Federal Financial Institutions Examination Council's annual report on Home Mortgage Disclosure Act, regulators concluded that the CFPB's ability-to-repay and Qualified Mortgage rules, which took effect in January 2014, did not have much impact on mortgage lending.

"The HMDA data provide little indication that the new ATR and QM rules significantly curtailed mortgage credit availability in 2014 relative to 2013," the report said. The news was cheered by consumer groups, who said it shows that lenders are adapting to the new regulatory landscape better than they thought they would.

[HMDA data shows more people took out a mortgage to purchase a home in 2014 than 2013]

Jessica Russell, CFPB, 9/21

Today, the Federal Financial Institutions Examination Council (FFIEC) published the 2014 Home Mortgage Disclosure Act (HMDA) data showing that more people took out a mortgage to purchase a home in 2014 than in 2013 and that fewer people refinanced their mortgages. As part of our work to educate consumers to make informed financial decisions, we at the Consumer Financial Protection Bureau (CFPB) – along with the other members of the FFIEC – are committed to making HMDA data clear and available to you.

[The Government Is Selling Thousands of Homes to Hedge Funds Without Their Owners' Knowledge]

Jared Bennett, The Atlantic, 9/23/15

Seven years after the real estate market crashed and took the economy down with it, major investors are again buying mortgages by the thousands. But instead of dealing with shady subprime lenders, they are buying many of those same shaky loans from the government—at a significant discount.

[Cushy deal for banks has not helped desperate homeowners]

John Prior, Politico, 9/20

Since the beginning of 2014, more than 60,000 complaints have been filed nationwide by borrowers about servicers rushing the foreclosure process or mishandling a modification request, according to POLITICO's review of the bureau's database. But the complaints likely underestimate the problem because most homeowners have no idea the database exists, according to counselors and attorneys. (More than 472,000 U.S. homeowners are in some stage of foreclosure as of June, with another 1.3 million in serious delinquency, according to the most recent data from CoreLogic.)

The settlement was almost three years old when Kimberly Cook, a single mom in her 30s, walked into the local deed office in Washington, worried that after a year of haggling, Bank of America had changed its mind about renegotiating her loan. She had made months of reduced payments on a trial basis, but bank representatives were now telling her that she had improperly signed documents - she had failed to use her middle initial, for example - and that she had not submitted an obscure document that isn't even required by other lenders. A clerk confirmed her fears, telling her that the bank had filed papers a month before in preparation for foreclosure.

The abuses by lenders continue, POLITICO has found, because the settlement deal was crafted in a way that limited oversight and gave banks a wide enough margin of error that they wouldn't be held accountable if they continued their bad practices.

[New Disclosure Rules for Mortgages]

Lisa Prevost, NYTimes, 9/25

Home loan offers should be easier to decipher come Oct. 3, when mortgage lenders must begin using new consumer disclosure forms that explicitly break down the costs and terms associated with a loan. Instead of receiving four different disclosures in various formats, as currently required under the Truth in Lending and Real Estate Settlement Procedures Acts, borrowers will receive just two. Intended to make the loan process more transparent, the new forms, created by the Consumer Financial Protection Bureau, look similar and are much easier to understand. They are just one aspect of regulatory changes dictating how the real estate and lending industries must handle disclosures. Lenders have been gearing up for the rule change for more than a year. For borrowers, the shift will be much simpler.

[Oakland sues Wells Fargo for mortgage discrimination]

Ben Lane, HousingWire, 9/22

The city of Oakland, California is the latest municipality to sue one of the nation's largest banks, accusing Wells Fargo (WFC) of allegedly steering minority borrowers into higher-cost loans, which caused rampant foreclosures and neighborhood blight.

According to a Reuters report, Oakland filed suit against Wells Fargo in a Northern California federal court, stating that Wells Fargo violated the Fair Housing Act by "targeting minorities" with high-cost loans, despite their ability to qualify for lower cost loans.

Consumer Financial Protection Bureau and the Department of Justice Order Hudson City Savings Bank to Pay $27 Million to Increase Mortgage Credit Access in Communities Illegally Redlined
Department of Justice, 9/24

RETIREMENT SECURITY & FIDUCIARY DUTY RULE

Politicians Push to Sway Fiduciary Regulation as Rulemaking Nears End
Yuka Hayashi, Wall St. Journal, 9/24
As the U.S. Department of Labor marches toward the completion of a new retirement advisory rule unpopular among financial companies, lawmakers from both sides of the aisle are making last-ditch efforts to sway the final outcome. Nearly 100 Democratic members of the House of Representative submitted a letter to Labor Secretary Thomas Perez Thursday, requesting changes to some of rule's provisions. The requested modifications could drastically change the way professional advice is given to investors in 401(k) and other retirement plans.

The lawmakers expressed their support for the rule endorsed earlier this year by President Barack Obama, but cautioned that that the onerous nature of some provisions may cause "market disruptions" and discourage financial companies and advisors from catering to investors with modest savings.

Meanwhile, the House Financial Services Committee is expected to mark up legislation proposed by the plan's opponents to block the rulemaking in a session scheduled for Wednesday and Thursday next week. The bill is expected sail through the committee and even pick up votes from some Democrats before being sent for a vote by the full House, which is also expected to pass the legislation.

House Dems Weigh in on Fiduciary Rule
Ben White, Politico, 9/25
A group of House Dems wrote to Labor Secretary Perez asking the department to "further refine" its new rule on fiduciary duty for investment advisors.

Save Our Retirement Coalition Statement on Letter to Sec. Perez on DoL's Best Interest Fiduciary Rule
Save Our Retirement Coalition, 9/24
We are pleased that these members of Congress recognize the need for the Department of Labor's rule to ensure that all retirement savers receive investment advice that serves their best interest, not their broker's bottom line. We are also confident that the Secretary is already taking a careful look at all of the suggestions in the letter, since many have been raised throughout the Department's unprecedented comment process, which has lasted more than 150 days and has provided ample opportunity for input from all stakeholders. This much is clear: the Department of Labor already has all the information and feedback it needs to quickly finalize this rule and help millions of Americans build the secure retirement they expect and deserve.

Americans Agree: Fair Advice Requires Regulation
John Manganaro, PlanAdvisor, 9/24
Findings from a recent survey commissioned by the Certified Financial Planner (CFP) Board of Standards show investors in the U.S. vastly favor rules and regulations that push advisers towards greater transparency.

Importantly, the research shows many Americans already feel comfortable trusting financial advice professionals, especially those with a CFP certification or other designations. Findings also point to a strong feeling that consumers and advisers themselves, rather than the federal government, bear most of the responsibility for avoiding harmful fallout from conflicted advice.

Even with a firm base of trust and personal accountability, however, U.S. investors still generally favor new rulemaking to strengthen requirements that advisers put client interests ahead of their own compensation when making specific product or service recommendations.

[What the Proposed 'Fiduciary Rule' Could Mean for Investors]
Scott Cooley, Jeremy Glaser [video], AOL, 9/20

[Don't stifle ability of Americans to save for retirement]
Curt May, Milwaukee Journal Sentinel, 9/23

STUDENT LOANS & FOR-PROFIT EDUCATION

[Debt Relief for Students Snarls Market for Their Loans]
Annamaria Andriotis, Wall St. Journal, 9/23
Federal programs designed to ease the burden of college loans are causing snarls in the bond market and raising concerns that banks may soon ratchet back lending.

The programs, which let struggling borrowers scale back their repayments, have made student loans more affordable at a time when millions of Americans are falling behind on their student debts.

But that slowing stream of money is having a knock-on effect in the market for bonds backed by that debt. Investors who own the bonds are beginning to worry that they may not get repaid on time, and they are balking at buying new bonds being offered by financial institutions.

[For-Profit College Lobbyist Explains Decades of Fraud as Humanitarian Mission]
David Halperin, Huffington Post, 9/23
Numerous investigations by law enforcement, Congress, and the media show instead that predatory for-profit college companies have used deceptive and coercive recruiting tactics to lure people into high-priced, low-quality programs. Often these companies have signed people up for programs even though the recruit could not benefit from the program, or the program would not provide the certification the person needed to get the career the person wanted.

The companies have done so, I believe, for one paramount reason: Because those people -- low-income single parents, veterans, and others struggling to get ahead -- are eligible to receive federal student aid money that the companies can immediately put in their coffers.

[Stranded Everest College Students Still Stuck with Hefty Loans]
Sasha-Ann Simons, WXXI News, 9/23
Saturday I get the email saying that Everest is closing, so I'm like, 'You gotta be kidding me!'" says Hacker.

The 53-year-old mother of two was just 10 weeks shy of graduation. She had racked up more than $30,000 in loans to pay for an insurance billing course that would allow her to work from home and take care of her mother. Teachers and more than 16,000 students had been occupying the school's 28 remaining campuses when word of the closure went public. They were left with nothing but uncertainty from Corinthian, and a pile of debt.

[Help for Corinthian Victims in California Governor's Hands]
Robert Shireman, Huffington Post, 9/25

[ITT Tech Faces Justice Department Inquiry]
Inside Higher Ed, 9/22

OTHER TOPICS

Pope Francis poses a threat to the current economic order

Harold Meyerson, Washington Post, 9/23

In that encyclical, Francis wrote that “[s]aving banks at any cost, making the public pay the price, foregoing a firm commitment to reviewing and reforming the entire system only reaffirms the absolute power of a financial system, a power which has no future and will only give rise to new crises.”

In place of our current system, Francis has recommended giving workers more power — in particular, promoting worker-owned and -run cooperatives. Speaking to delegates from Italian cooperatives, he extolled “an authentic, true cooperative . . . where capital does not have command over men, but men over capital.”

Fairer Taxes Would Aid Pope's Goal of Economic Justice

Frank Clemente, Huffington Post, 9/23

The pope's visit comes at a point when income inequality has never been higher in the United States. Today, the top one-tenth of 1% of Americans own approximately the same level of wealth as the bottom 90% combined. Translation: America's 161,000 richest families have more combined wealth than 145 million other American families.

We could create a fairer tax system that raises sufficient revenue to fund vital services, provide benefits to those in need, and make new investments that create productive jobs and a more inclusive economy. As Pope Francis makes clear, it takes government resources to address inequality, and it takes a just tax policy to raise adequate government resources. Unfortunately, the U.S. tax system rewards the wealthy and big corporations with loopholes and tax breaks that run counter to its admirable goals as a progressive tax system. For instance, many working families pay a higher tax rate on their salaries and wages than wealthy people pay on their investments.

See AFR’s Facebook page for info-graphics on Pope Francis and his statements about banking and lending.

Congress, not agencies, to blame for regulation delays

Amit Narang, The Hill, 9/24

Just how bad is the current regulatory delay crisis? A new website from Public Citizen shows that proposed rules held up at the U.S. Office of Information and Regulatory Affairs are delayed by more than 4,000 days. And that's just the last stop along their journey from inception to finalization. A report last month from the R Street Institute, a libertarian think tank, paints an equally grim picture: Over the past 20 years, federal agencies have met only half the rule-making completion deadlines set by Congress.

Chamber 'disappointed' with GOP over regulations

Tim Devaney, The Hill, 9/25

The business lobby says it is “disappointed” Republican presidential candidates haven’t spent more time discussing how they would rollback what it sees as heavy-handed regulations from the Obama administration. The U.S. Chamber of Commerce called it a “missed opportunity.” “The Second GOP presidential debate covered a lot of issues, and while not every one can be covered — not even in a three-hour debate — it was disappointing that regulations only received a handful of mentions and no discussion,” the Chamber wrote in a recent blog post. Adding, “It wasn’t any better in the first debate."