



This Week in Wall Street Reform | April 1 - 7, 2017

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TRUMP ADMINISTRATION & WALL STREET

[Wall Street and Washington: A New Love Affair](#) | NY Times (Andrew Ross Sorkin)

The presidency of Donald J. Trump — the wealthiest businessman to occupy the White House in recent memory — has ushered in a new paradigm, one in which business and government are married in a way never seen before. And the people whom Mr. Trump has appointed come from the most senior ranks of business, bringing with them a frame of reference that is almost strictly about profit and economic growth.

It isn't often said aloud, but the aristocracy that Mr. Trump has put in place may be more important than any rule written on paper. And while there are significant questions about whether their experience in business will translate in Washington — and to the Regular Joe who supported Mr. Trump — their focus on issues that relate to the economy and their reverence for increasing G.D.P. have lifted the spirits in corner offices across America. Whether the topic is trade, infrastructure or taxes, to the C.E.O. set, Mr. Trump speaks their language.

[The Regulatory Wrecking Ball](#) | NY Times (editorial)

[Trump Says Planning 'Haircut' for Dodd-Frank Banking Regulations](#) | NY Times

[Trump Promises CEOs 'A Very Major Haircut On Dodd-Frank'](#) | Talking Points Memo

[Trump Vows Extreme Deregulation of Industry, Infrastructure](#) | Bloomberg

President Donald Trump escalated previous pledges to deregulate broadly--to as much as 95 percent--with a particular focus on the financial industry and permits required for infrastructure projects. At the same time, Trump said he wanted "strong regulation" of banks and also that he is a "big believer" in environmental protection. "So, we're going to do a very major haircut on Dodd-Frank," Trump told industry executives. "We want strong restrictions. We want strong regulation, but not regulation that makes it impossible for the banks to loan to people that are going to create jobs," he said.

[Despite Trump's claims, bank regulation hasn't slowed lending](#) | CNBC

President [Donald Trump](#) on Tuesday repeated his campaign pledge to undertake a major overhaul of bank regulations, arguing that lending restrictions are hampering job growth. Tighter lending conditions often throw cold water on job growth. A closer look at the data, however, shows that neither of those things is happening in the U.S. Trump made his remarks following a White House meeting [with a group of business executives](#), noting that his administration is working on giving a "major haircut" to the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act.

Since the law took effect in July 2010, bank lending to businesses and consumers has continued to hit new highs. Continued strong lending comes as the economy continues to produce hundreds of thousands of new jobs every month, driving the jobless rate below 5 percent.

[Cohn Backs Wall Street Split of Lending, Investment Banks](#) | Bloomberg

[A former exec wants to reshape Wall Street's biggest firms. Senators are listening](#) | Boston Globe

In a meeting Wednesday with senators from both parties, Gary D. Cohn, Trump's chief economic adviser, said the administration was considering a proposal that would require separating retail banking from investment banking and trading. Cohn mentioned the idea to members of the Senate Banking Committee as one of several financial regulations on the table....

Since the Republican convention last July — when the restoration of Glass-Steagall was inserted into the party's platform — Trump has on occasion signaled a willingness to break up the big banks. The idea seems incongruent with the president's many other policies on taxes and the environment that will largely benefit corporations and the wealthy. Yet invoking Glass-Steagall, which was repealed in 1999, seems tailored to appeal directly to the angry voters who elected Trump. Many Americans are still smarting from the 2008 recession, which was caused by the financial crisis, and still believe that the Obama administration did not go far enough in reining in Wall Street.

[White House adviser Cohn backs U.S. bank breakup law](#) | Reuters

[A Warning on Cohn's Surprising Glass-Steagall Statement and the Unique Benefits For Goldman Sachs](#) | Better Markets

[Trump and Warren Agree? Maybe, on Plan to Shrink Big Banks](#) | NY Times

See AFR Statement, [AFR Applauds Bipartisan Bill to Restore Glass-Steagall](#), and Public Citizen Statement, [Public Citizen Applauds Reintroduction of 21st Century Glass-Steagall Act](#)

[Wall Street Doubts Trump Wants to Split Up Big U.S. Banks](#) | Bloomberg

[Empty Seats at Regulators Hold Back Trump Bid to Undo Dodd-Frank](#) | Bloomberg

[Window Closing for Republican Stealth Assault on U.S. Regulations](#) | NY Times

[Trump: We're going to do a very major haircut on Dodd-Frank](#) | Housing Wire

[Trump working on 'horrendous' Dodd-Frank regulations](#) | New York Post

[Trump promises to burn banking regs, but Wall Street doesn't buy it](#) | The Independent

[White House: Give Trump more credit for repealing Obama rules](#) | Politico

[Trump scrambling to repeal Obama-era rules](#) | The Hill

[Keeping Track of Overturned Rules Is So Hard to Do](#) | Bloomberg

[The Little-Known Law Letting Trump Repeal Obama's Regulations](#) | Newsy

[How Obama Opened the Door for Trump's Greatest Accomplishment](#) | The Fiscal Times

[Trump's Biggest Legislative Success Story](#) | Bloomberg (Paul Barrett)

[The Congressional Review Act Is an Important Story](#) | Public Citizen

[White House Tallies \\$10 Billion Saved by Repeal of Regulations](#) | Bloomberg

[Trump administration points to deregulation as "huge accomplishment"](#) | CBS News

[Trump debunked: Start-up founders want more regulation, not less](#) | CNBC

[AFSA Submits Blueprint for Regulatory Reforms to Trump Administration](#) | Business Wire

[Trump keeps siding with Wall Street over Main Street](#) | The Day

[The Man in Charge of Fixing Fannie and Freddie Knows Them All Too Well](#) | NY Times

You may not know much about Craig S. Phillips, special counselor to Steven Mnuchin, the [United States Treasury](#) secretary. Because Mr. Phillips was not a political appointee, he did not face congressional scrutiny before he began directing our nation's housing policy, one of his main tasks. Getting to know Mr. Phillips and his background is a worthwhile exercise, especially

because he's determining the Trump administration's path forward on [Fannie Mae](#) and [Freddie Mac](#), the mortgage finance giants that remain in conservatorship.

Mr. Phillips certainly knows a thing or two about Fannie and Freddie. As the leader of [Morgan Stanley](#)'s mortgage desk during the peak mortgage-mania years of 2004 and 2005, he ran the operation that bundled loans and sold them to the two government-sponsored enterprises. When those loans blew up and the government sued Morgan Stanley, Mr. Phillips was a named defendant in the initial case — a case that resulted in the firm paying a \$1.25 billion settlement...

According to regulatory [records](#), Mr. Phillips has spent 38 years at an array of Wall Street firms, including Credit Suisse First Boston, Morgan Stanley and, most recently, BlackRock, the huge asset manager. While there, he headed the financial markets advisory and client solutions teams at [BlackRock Solutions](#), the powerhouse advisory unit; he left in January.

[Bannon earned more than half a million dollars from entities tied to GOP donors](#) | Politico

[Investment Fund Fires Morgan Lewis for 'Enabling' Trump With Ethics Advice](#) | Law.com

[Community Bankers Meet with Treasury on Regulatory Challenges](#) | American Bankers Association

[Bank Reform Architect Puzzled by Effort to Undo It](#) | NY Times

Barney Frank is puzzled. The former Massachusetts congressman says that President Trump is vowing to roll back financial regulations that even some of the biggest players in the banking industry have quietly come to tolerate. Many Americans — outside the financial industry — are not clamoring to scrap Dodd-Frank either, or even know what the law really does, said Mr. Frank, a Democrat who helped write it. So why is Mr. Trump adding Dodd-Frank to the long list of regulations he's seeking to undo? "He has to denigrate everything the Democrats did," says Mr. Frank, who retired from the House in 2013. "I think he has to say he inherited a mess. Well, he has to find a mess."

[Trump, GOP Take Aim at Obama's Final Year](#) | The Atlantic

NOMINATIONS

[SEC Pick Communicated With Thiel, Mercer Before Nomination](#) | Bloomberg

He acknowledged that "one or more" of the people he met with may be affiliated with companies regulated by the SEC. Rebekah Mercer was a key adviser to Trump's campaign and is the daughter of Robert Mercer, co-chief executive officer of Renaissance Technologies LLC and a major Trump donor.

Financial disclosure forms released last month show that Clayton has been paid \$7.62 million since 2015 representing some of Wall Street's biggest firms, including Goldman Sachs Group

Inc. and Bill Ackman's Pershing Square Capital Management.

If confirmed by the Senate, he would have to recuse himself for a year from matters involving Sullivan & Cromwell and the companies he represented. He also would be barred from ever weighing in on a specific business deal or an investigation that he worked on as a lawyer.

[Trump's SEC pick met with Carl Icahn immediately after nomination](#) | Politico

[Senate banking panel advances Trump's SEC nominee](#) | Politico

[Banking panel approves Clayton as SEC chairman](#) | American Banker

See Letter to Congress, [AFR and 22 Organizations Oppose Jay Clayton for SEC Chair](#)

[Prior to his SEC nomination, Clayton communicated with SEC contractor](#) | Reuters

[Senate Committee advances Nom of Wall St Fox to Guard Investor Henhouse](#) | Allied Progress

See "Take on Wall Street" Statement: [Wall Street Watchdogs Blast Banking Committee majority for approving Clayton to Head SEC](#)

[The Swamp Runneth Over](#) | Other 98 (Jon Green)

In the Trump era, one can become desensitized to the blatantly unethical conflicts of interests that are rife throughout his administration. But this one is shocking even by the appalling standards to which we've become accustomed. [Matt Taibbi at Rolling Stone correctly observed](#) that Clayton would be "the most financially conflicted SEC chairman in history." As Senator Warren has pointed out, Clayton's conflicts of interest are so extensive that he could be barred for two years from actually voting on countless enforcement actions that come before the SEC. For the long list of former clients, Clayton's mandatory recusal from enforcement actions effectively grants them immunity.

[The Government Gorsuch Wants to Undo](#) | NY Times

[Trump picks law prof for OIRA post](#) | Politico Pro

President Donald Trump plans to nominate law professor Neomi Rao to run the Office of Management and Budget's Office of Information and Regulatory Affairs, putting her in charge of government-wide regulatory efforts. Rao is a law professor at George Mason University's Antonin Scalia Law School, with a focus on constitutional and administrative law. Previously, Rao was an associate White House counsel for George W. Bush and an aide on the Senate Judiciary Committee. She also clerked for Justice Clarence Thomas.

CONSUMER FINANCE & THE CFPB

[GOP lawmaker, pockets stuffed with bank \\$\\$\\$, leads assault on CFPB | LA Times](#)

Make no mistake: Hensarling doesn't give a damn about American consumers and he sure as hell isn't pushing for a "cop on the beat" to keep banks in line. What he wants is to liberate his deep-pocketed corporate patrons from regulatory oversight that's resulted in billions of dollars being reimbursed to customers.

According to the Center for Responsive Politics, Hensarling, 59, [has been raking in cash](#) from the financial sector since he was first elected to Congress in 2003....Of all House members running for reelection last year, Hensarling was the second-largest recipient of contributions from commercial banks (\$274,900), topped only by Republican House Speaker Paul Ryan (\$344,399), the Center for Responsive Politics found.

[Consumer Financial Protection Bureau Chief Responds To Republican Critics | NPR](#)

GREENE: Why do they hate you so much?

CORDRAY: I think that if you're going after large banks and large financial companies to try to make sure people are being treated fairly, you're going to make some enemies, and you're going to make people uncomfortable. But that's the job we're supposed to do. It's an important job for Americans. It's a job that, frankly, if it had been done better before the financial crisis, things might have been a lot different in this country and people would be better off today.

GREENE: So the Republican argument is that you and your agency have in some cases actually failed to protect consumers and in fact have harmed them through enforcement actions that they say may have made credit less available and more expensive. They say that you can scare lenders away from making inexpensive loans available because of all this enforcement. Do they have a point at all?

CORDRAY: Well, I think that people criticize us sometimes for doing too much. And then when we do things and they're good things and they don't like to give us credit, they nitpick that as much as possible.

[Long day for Cordray as accusations and innuendo fly at hearing | National Mortgage News](#)

[CFPB Says It Can Do Its Job Even If Its Structure Changes | Wall St Journal](#)

[CFPB's Cordray defends agency's enforcement actions | American Banker](#)

[Dodd and Frank themselves back CFPB in constitutionality case | American Banker](#)

[Hensarling to Cordray: You Should Be Fired](#) | Credit Union Times

Cordray defended his agency's efforts, saying, "They don't want to give us credit for anything we do." He added that Republicans attempt to "explain away any positive work done by the Consumer Bureau." He said his agency continues to work on such issues as debt collecting and financial performance incentives. He said the CFPB continues to review comments on binding arbitration agreements and payday lending.

[Hensarling issues new CFPB subpoena on Wells, Ally](#) | Politico

[Rep. Ross: The CFPB needs to be held accountable](#) | Housing Wire

[Toomey broadens attack on financial regulation](#) | Politico

[Toomey seeks GAO's help in reviewing agency guidance](#) | American Banker

[CFPB Requests Limited Fix if Court Finds Constitutional Defect](#) | Bloomberg

[Republicans Blast CFPB, Alleging Slow Start to Wells Fargo Probe](#) | WSJ

[Wells Fargo's Aggressive Sales Tactics Hit Small Firms](#) | WSJ

[The CFPB's Structure is Constitutional and Important to its Mission](#) | U.S. PIRG

[The wolves of Wall Street are out. What do they want? The CFPB.](#) | The Hill

[The real-world impact of Dodd-Frank, stress tests and other regs](#) | American Banker

[Consumer Groups, Legal Scholars, Lawmakers Show Support For CFPB](#) | Pymnts

[Consumer agency works for 'forgotten Americans'](#) | Central Maine.com

[DIY Consumer Protection](#) | Call Your Girlfriend Podcast

Aminatou Sow (co-host): "I had to file a complaint against a company using the Consumer Financial Protection Bureau... That company got back to me within five days, and they fixed everything... It's the best customer service I've ever received... Some corporation tried to take advantage of me, and then I tattled on them. And when I talked to the compliance officer, she said I really wish this hadn't escalated to a CFPB complaint, and I was like, Well, that's the only way you would listen to me, so that's perfect... CFPB is my favorite agency in government... Shout out to everybody who makes CFPB happen! I'm so happy!"

[CFPB depicts the worst of big government](#) | Biz Journals (Ann Wagner)

[Don't Let Financial Scammers Tear Down the CFPB](#) | Demos (Amy Traub)

As the courts consider the case again, Demos is proud to stand up for the CFPB and the consumers it protects. We have joined leading civil rights and consumer organizations including **Americans for Financial Reform**, Public Citizen, The Leadership Conference on Civil and Human Rights, and the National Council of La Raza in a [brief](#) urging the court to maintain a strong, independent agency to protect American consumers.

[Congress must ease regulatory burdens, hold CFPB accountable](#) | The Hill (Rep Dennis Ross)

[I'm the CEO of an American bank. This is why I support Dodd-Frank.](#) | The Hill (Keith Mestrich)

If we are going to be serious about reforming financial regulations, it must be done with the best interests of working Americans first, and not the revenue targets of banks. Our responsibility is to protect the wealth and economic stability of our customers, not exploit their money to make more for ourselves. This responsibility is the foundation of Dodd-Frank, and a wholesale rollback of the law opens us up to the negligent practices which necessitated its passage in the first place.

[Cordray admits no-action letter program 'not working right'](#) | Politico

[Cordray pledges to move forward on small-business lending data](#) | Politico

[CFPB may redraft prepaid rule for virtual wallets](#) | Politico

[Congress should preserve rules that protect consumers using prepaid cards](#) | The Hill (Karl Racine)

Currently, even though consumers use prepaid debit cards the same way as traditional credit or debit cards, the prepaid cards are not nearly as safe or transparent. Issuers of prepaid debit cards are not required to protect consumers when their cards are lost or stolen, are not uniformly required to correct billing errors, and may charge numerous hidden fees — fees that can cost low-income consumers dearly.

These fees are particularly insidious. With little disclosure from the card issuer beforehand, prepaid debit card users can be charged hidden fees for everything from paying a bill to obtaining a paper statement to accessing funds at an ATM. A 2014 Pew Charitable Trusts report estimated that a typical prepaid card user incurs fees of \$10 to \$30 each month — a significant amount for many lower-income consumers. Beyond these difficulties, the predatory payday lending industry has now seized on prepaid debit cards as another tool. Payday lenders already charge extremely high interest rates; now they are also able to charge their borrowers overdraft fees without adequate disclosure.

[18 States Urge Congress Not To Stop Prepaid Card Reforms](#) | Consumerist

[AGs ask Congress not to abolish protections for prepaid debit card users](#) | Consumer Affairs

[ABA to CFPB: Objective Definition of 'Prepaid Account' Is Necessary](#) | Banking Journal

[NetSpend Stealthily Settles FTC Charges Ahead of Fight Over CFPB Prepaid Card Rules](#) | NCLC

[Wells Fargo is leveraging arbitration clause to win an advantageous scandal settlement](#) | LA Times

[Here's why Wells Fargo forces its customers into arbitration: It wins most of the time](#) LA Times (Michael Hiltzik)

[Calif. High Court Limits Arbitration Waiver Post-Conception Arbitration](#) | Law 360

[Have we lost our 'day in court'?](#) | New Jersey Hills (opinion)

It's doubtful that many residents of New Jersey know or care about arbitration. But, they should. They've signed contracts that require them to use it when they have a dispute with their cellphone provider, bank, nursing home, credit card or car rental company, investment broker, medical professional, and the providers of a wide-range of consumer services, including cable companies. Included in this list, too, are their employers, corporate and not-for-profit. Chances are, if you're reading this column, you're affected. You'll know it if you ever have a complaint and want to take a company to court. These clauses mandate the use of arbitration--a non-judicial dispute resolution process by which a third party or a panel hears a matter and makes a decision that is final and binding on the parties—and they prohibit access to the courts.

[Wells Fargo told to rehire whistleblower, pay \\$5.4 million](#) | American Banker

[They're circling!](#) | Arkansas Online (editorial)

The loan sharks have been circling the good ship U.S.S. Arkansas once again, looking for easy prey, but this time they've been driven off thanks to leaders like this state's governor and, improbably enough, state Senator Jason Rapert, who again demonstrated that even a blind hog will come up with an acorn now and then. A bill to crack down on predatory lenders in this state didn't muster enough votes to clear the Arkansas House on its first two tries, but a day later, Senate Bill 658 picked up 20 votes in the affirmative column to pass 68 to 6. Hell's bells, hooray and an unqualified yeehaw!

[Banks Made Over \\$30 Billion From Overdraft Fees in 2016](#) | Consumers Union

[How One Obscure Regulator Is Unleashing a Predatory Lending Hellscape.](#) | **New Economy**

Thomas J. Curry has only one week left as Comptroller of the Currency. But America's chief regulator of national banks isn't acting like it. Despite intense opposition from community advocates and conservatives alike, Curry, an Obama appointee, is doubling down on an ill-advised plan that would allow online lenders and other so-called fintech firms to rip people off.

Project

DERIVATIVES, COMMODITIES & THE CFTC

[CFTC names head of market surveillance](#) | Politico

HEDGE FUNDS AND PRIVATE EQUITY

[Hedge Fund Strife Gives Rich Families New Swagger With Managers](#) | Bloomberg

[Hedge funds are investing in bank stocks at record pace](#) | New York Post

INVESTOR PROTECTION AND THE SEC

[House passes bill to widen venture capital participation](#) | Politico

[SEC's Luparello to join Citadel Securities](#) | Politico

[SEC accuses Michigan pastor of leading \\$6.7 million real estate fraud scheme](#) | Housing Wire

[SEC Charges Two Men With Insider Trading Involving These Big Companies](#) | Yahoo Finance

MORTGAGES, FORECLOSURES & HOUSING

[The Man in Charge of Fixing Fannie and Freddie Knows Them All Too Well](#) | NY Times (Gretchen Morgenson)

[Craig] Phillips has spent 38 years at an array of Wall Street firms, including Credit Suisse First Boston, Morgan Stanley and, most recently, BlackRock, the huge asset manager... Perhaps most salient on Mr. Phillips's résumé are his years at Morgan Stanley, where he led the firm's mortgage securities unit...

As head of securities products, Mr. Phillips directed the unit of Morgan Stanley that packaged and sold billions of dollars of home loan bundles to Fannie Mae, Freddie Mac and other investors. Some of these securitizations blew up in the financial crisis, generating billions of dollars in losses to the investors who bought them.

Although he left the firm in May 2006, when the mortgage securitization machinery was starting

to sputter, he is identified in lawsuits filed by investors who bought the toxic Morgan Stanley loan bundles.

[In Ohio County That Backed Trump, Word of Housing Cuts Stirs Fear](#) | NY Times

[Ben Carson: Housing will be part of Trump infrastructure bill](#) | Housing Wire

RETIREMENT SECURITY & FIDUCIARY DUTY RULE



[Fiduciary rule's delay triggers new headaches for firms](#) | On Wall Street

On one side, fiduciary advocates are pushing back, arguing that the regulation is a much needed investor protection that can't be delayed. On the other, opponents are concerned the delay doesn't give the department time to conduct the review ordered by President Trump. Moreover, if the regulation is revised, some firms are concerned they will have to adapt compliance systems yet again, and on short notice...

Meanwhile, fiduciary advocates are mobilizing to save the regulation. A campaign launched this week by several investor protection groups includes a "retirement ripoff counter" that purportedly tabulates how much funds clients are losing due to bad investment advice. It's appearing in several locations around Washington.

[The One Retirement Rule Wall Street Hates The Most](#) | Forbes

Sen. Elizabeth Warren and a group of investor protection groups such as [Americans for Financial Reform](#) and the [Consumer Federation of America](#) have unveiled the "Retirement Ripoff Counter, which is a digital, large-scale, live projector that will show the harm President Trump is doing to investors by delaying the fiduciary rule. On the evening of April 5th, after dusk, the projection of the Retirement Ripoff Counter will be displayed on the sides of several major Washington landmarks." The Rip-Off Counter is akin to the National Debt Clock, which shows increasing amounts of dollars as time ticks by. It's estimated that investors are losing some \$40 million a day from egregious practices that the DOL Rule seeks to prevent.



[Fiduciary advocates strike back after rule delay](#) | **Financial Planning**

"The Department of Labor's fiduciary rule was written to stop those losses, but the Trump administration painted a target on the rule," Lisa Donner, executive director of the advocacy group **Americans for Financial Reform**, told reporters at a news conference on Capitol Hill.

The clock, with its fast-ticking digits, is the visual centerpiece of a campaign that seeks to put the costs of blocking the rule "on a slightly more human scale," Donner said. Organizers said that the clock, in various forms, will show up in locations around Washington and in other parts of the country in a bid to pressure lawmakers to oppose attempts to further delay, water down or kill the fiduciary rule.

[Retirement Ripoff Counter Shows Losses of \\$532 Each Second Without Fully Enforced Fiduciary Rule](#) | **Americans for Financial Reform**

[Rising Risks for Retirement Savers](#) | **NY Times (editorial)**

As America's population ages, opportunities for a secure retirement should increase. But the opposite is happening. And things are likely to get worse in the Trump years. A measure [passed recently](#) by congressional Republicans and awaiting President Trump's all-but-certain signature will reverse a rule, passed in the last year of the Obama administration, allowing cities and counties to organize savings plans for private-sector workers who have no employer-provided retirement coverage. Another measure, blocking states from sponsoring similar retirement savings plans, was passed by the House in February. The Senate and Mr. Trump would be wise to let that measure die. If it is enacted, 13 million people — a sizable portion of the 55 million Americans who don't have company retirement plans — would be denied access to payroll-deduction individual retirement accounts.

People who already have retirement plans also have cause for worry. On Wednesday, the Labor Department carried out Mr. Trump's [directive to delay](#) the April 10 effective date of a federal rule that requires financial advisers to put a client's interest before their own when giving advice or selling investments related to 401(k) rollovers and other retirement transactions. The rule, known as the "best interest" or "fiduciary" standard, would protect 401(k) savers from being steered into overly expensive strategies and products when they retire. All of these rules were carefully researched and written. All are much needed. And all are being tampered with for one reason only: The financial industry does not want them because it makes tens of billions of dollars a year under a status quo in which its products and practices are the only game in town for retirement savers. This means that what congressional Republicans and Mr. Trump are

doing is looking for ways to line Wall Street's pockets with the retirement savings of working people.

[U.S. Labor Department to delay 'fiduciary' rule for 60 days pending review](#) | Reuters

[DOL Fiduciary Rule Foes Say Delay Falls Short of Trump Order](#) | ThinkAdvisor

[Industry Group Weighs In On New Fiduciary Rule](#) | NPR

[Consumer Groups Plan to Bring National Attention to Fiduciary Rule](#) | Plan Sponsor

[The Rising Retirement Perils of 401\(k\) 'Leakage'](#) | Wall St Journal

[Labor Department staff has 'fiduciary' rule foes seething over delay](#) | Politico

[Trump's fiduciary delay will cost retirees \\$2.8B, critics say](#) | The Hill (Tim Devaney)

The Retirement Ripoff Counter claims savers lose \$532 per second, \$1.9 million per hour and \$46 million per day. This comes out to nearly \$2.8 billion over the 60-day period the rule will be delayed.

[Trump Just Cost Investors \\$181 million](#) | Fortune

[Fiduciary Advice from Auntie Inga](#) | Huffington Post

[With Fiduciary Rule in Doubt, How to Protect Your Retirement Savings](#) | Consumer Reports

[Opponents troubled by mere 60-day delay of DOL fiduciary rule](#) | Investment News

[Morgan Stanley backs 'fiduciary rule' goals despite delay](#) | Reuters

[Delay or Not, IBDs Moving Toward a Fiduciary Future](#) | Wealth Management

[DOL Fiduciary Rule Winners and Losers](#) | ThinkAdvisor

[Why that investor-protection rule matters to you and your investments](#) | CNBC

[The DoL rule may be toast, but being a fiduciary boosts business](#) | On Wall Street

[Educate yourself no matter what happens to Fiduciary Rule](#) | The News Tribune

[Savvy RIAs are waving the fiduciary flag](#) | Investment News

[Edelman: Free Trading Will Kill Commissioned Brokers](#) | Financial Advisor IQ

[The Value of a Fiduciary Advisor Reaches 4% in 2017](#) | IRIS

[Democrats ask Trump to veto measure repealing city retirement plan rule](#) | KFGO

STUDENT LOANS & FOR-PROFIT SCHOOLS

[The Wrong Move on Student Loans](#) | NY Times (editorial)

The Obama administration made the right call in 2015 when it barred debt collectors from gouging borrowers who default on student loans and then agree to payment plans that let them make good on the debt and rebuild their ruined credit.

Education Secretary Betsy DeVos, showing more concern for the lending industry — which is essentially on the federal dole — than the borrowers the industry ought to serve, recently [rescinded](#) the directive, allowing the companies, known as guaranty agencies, to charge a predatory 16 percent fee on the debt. Federal student loan defaults are dragging on the economy — making it impossible for people to buy cars or homes — and are increasingly following people into old age, where their Social Security benefits are being garnished for loan payments.

[Feds kick off restoration of grant aid for students burned by for-profit college closures](#) | Washington post

[Trump Defends Obama's For-Profit College Crackdown](#) | Bloomberg

[Democrats Press DeVos On Hiring of For-Profit College Official](#) | Politico

[Westech College's abrupt closure raises questions about training options](#) | LA Times

[Trump's Administration Is Making It Easier for For-Profit Colleges to Screw Over More Students](#) | The Nation (Michelle Chen)

Trump is turning to the notorious corporateers who have been pouring McDiplomas on the nation's steaming trillion-dollar student debt pyre to shake up higher education. Education Secretary Betsy DeVos's [controversial pick for a special assistant](#)—for-profit college corporate lawyer Robert Eitel, may be a portent. As counsel for Bridgepoint, the parent company of the now-tainted brands of [Ashford University and University of the Rockies](#), was forced by the Obama administration last year to refund \$24 million in tuition and debt costs to students, plus civil damages, after the Consumer Financial Protection Bureau found that its heavy marketing scheme for its online programs, and “deceived its students into taking out loans that cost more than advertised.”

[An ounce of prevention](#) | The Hill (Michael Rose)

First, the Trump administration should hold the line on all existing ‘program integrity’ measures. From our point of view, the ban on incentive compensation, which was substantially weakened in the early 2000s, is a critical protection against high-pressure sales tactics that provided the engine for massive fraud and abuse from 2002 to 2010. Enrollment at many unscrupulous colleges [skyrocketed](#), but so did federal student loan debt and defaults. The Government Accountability Office [found](#) serious flaws after the 2002 deregulation enabled commissioned recruitment. The Department of Education’s Inspector General has [called](#) for stronger enforcement of the ban, not weakening it.

Nor should Congress pass legislation like H.R.970/S.559, introduced in the 114th Congress, that would, among other things, gut the gainful employment regulation, a common-sense rule that requires the worst-performing career training programs to improve or lose eligibility for federal funding....With an ounce of prevention -- enforcing the ban on incentive compensation and fully implementing GE, for example – the federal government can help ensure that students make informed decisions about where to attend college, increasing their chances of graduating and becoming productive members of society. This ounce of prevention would help ensure that taxpayer dollars are not doubled or even tripled through a repeated cycle of waste, fraud, and abuse that results in students enrolling in colleges that fail them.

[A Step Ahead of For-Profits](#) | Inside Higher Ed

[For-profit education could come roaring back in the Trump administration](#) [St Louis Post Dispatch](#) | (editorial)

[Student Debt Giant Navient to Borrowers: You’re on Your Own](#) | Bloomberg

[Navient Says Don’t Expect it To Help Student Loan Borrowers](#) | NBC News

SYSTEMIC RISK

[Outgoing Fed official fears financial crisis forgetfulness](#) | PBS NewsHour (interview)

Daniel Tarullo: I don’t really expect that there’s going to be a dismantling of some of the major accomplishments that we have had. And I certainly hope not. And I don’t think it would be something the American people would want to see, Democrats or Republicans, particularly with respect to the additional requirements that we and the other banking agencies have placed on the largest, most systemically important financial institutions, those that almost failed during the crisis.

Paul Solman: But the criticism has been that you so regulated the system that banks and other financial institutions are not lending as they would have lent in the past, and that that’s made the economy a lot less vibrant than it would otherwise have been and could have been. I think

there's a broad-based view that stronger capital requirements and better oversight is something that's needed there indefinitely.

Tarullo: Sure, we could go back to a time in 2004, '5 and '6 when there was lending against no collateral, no down payments for houses. Sure, that is a lot more lending, and, in the short term, it feels good, but it's not sustainable lending. It's not sound lending.

[Tarullo on reinstating Glass-Steagall: Thanks, but no thanks](#) | Politico

[In departing speech, Fed's Tarullo suggests easing stress tests, Volcker](#) | Politico

[Six takeaways from Tarullo's farewell address](#) | American Banker

[The Boston guy who helped avert economic disaster is leaving the Fed](#) | Boston Globe

[House Republicans call on Mnuchin to review FSOC decisions](#) | Politico

[Warner, Rounds revive municipal bond change to liquidity rule](#) | Politico

[Senate Republicans open to talk on reviving Glass-Steagall](#) | Politico

[Calls to Renew Glass-Steagall](#) | Financial Service Roundtable

[Powell takes the reins as Fed regulatory czar](#) | Politico

[Richmond Fed president abruptly resigns over confidentiality breach](#) | Politico

[Fed's Kashkari challenges JPMorgan's Dimon on 'too big to fail'](#) | Politico

[Jamie Dimon Pushes for Simpler, More Coordinated Bank Regulations](#) | Wall St Journal

J.P. Morgan Chase JPM -1.28% & Co. Chief James Dimon laid out his wishlist of regulatory changes in his annual shareholder letter Tuesday, calling for simpler and better coordinated rules that could help to spur more lending and in turn economic growth. While Mr. Dimon didn't advocate "to throw out the entirety of Dodd-Frank or other rules" he did say he thinks it is "appropriate to open up the rulebook." The head of the nation's largest bank by assets doesn't have the power to change these rules, but he does sit on President Donald Trump's business council of 16 top executives and knows some of Mr. Trump's high-level finance advisers.

[JPMorgan's CEO Dimon says 'something is wrong' with America](#) | The Washington Post

[Jamie Dimon's Shareholder \(Advocacy\) Letter](#) | Medium (Neel Kashkari)

[JPMorgan's Dimon: 'Too Big To Fail' era is over](#) | Politico

[Certain bank rule is noble in principle, problematic in practice](#) | The Hill (Tom Quaadman)

Businesses are the engines of economic growth. Companies of every shape and size need to be able raise capital efficiently and affordably in order to launch, operate and expand. The Volcker Rule is so problematic because it jeopardizes that essential ability. There was merit in the intent of the Volcker Rule, which aims to prohibit banks from engaging in certain speculative, proprietary trades, thereby enhancing financial stability. The regulation has fallen far short of that goal, however, and inhibits growth as well. In practice, the Volcker Rule has imposed a complex web of regulatory compliance upon financial institutions, hindering businesses' ability to obtain the financing they need to grow.

OTHER TOPICS

[JPMorgan shareholders to vote again on separate chairman and CEO](#) | Reuters

[Cisco's CEO to Join BlackRock's Board](#) | WSJ

[Key U.S. lawmaker optimistic 'financial innovation' will enter regulators' rulemaking](#) | Reuters