THIS WEEK IN WALL STREET REFORM
Sept. 21 to Oct. 4, 2013

CREDIT AND DEBIT CARDS

New York Businesses Win Ruling on Credit-Card Swipe-Fee Ban
(Christie Smythe & Carter Dougherty, Bloomberg, 10/3)
“A New York law banning merchants from surcharging customers to make up for credit-card swipe fees was halted by a federal judge who ruled the statute is unconstitutional.

U.S. District Judge Jed Rakoff in Manhattan today ordered the state not to enforce the ban during a legal challenge filed by several small businesses.

“Businesses including a Vestal, New York, hair salon, a Brooklyn ice cream parlor and Lower Manhattan martial arts academy alleged in a lawsuit filed in June that the law violated free speech rights by penalizing them for adding surcharges while at the same time allowing them to provide discounts to customers paying with cash or debit cards.

“’Alice in Wonderland has nothing on section 518 of the New York General Business Law,’” Rakoff wrote. “This virtually incomprehensible distinction between what a vendor can and cannot tell its customers offends the First Amendment and renders section 518 unconstitutional…”

A Review of the Impact of the CARD Act on the Consumer Credit Card Market
(CFPB, October 2013)

“The Credit Card Accountability Responsibility and Disclosure Act of 2009 (“CARD Act” or “the Act”) changed the landscape of the credit card market. The CARD Act was enacted to “establish fair and transparent practices related to the extension of credit” in this market, regulating both the underwriting and pricing of credit card accounts…

“The CARD Act directs the Bureau to conduct a biennial review of the consumer credit card market, including the effect of the Act on the cost and availability of credit and the adequacy of protections for consumers relating to credit card plans. This is the first such report the Bureau has prepared. The report draws upon publicly and commercially available data as well as data obtained by the Bureau through its supervision of large credit card issuers…”

Three Years After the CARD Act, Card Holders Have Saved Billions
(Americans for Financial Reform, 10/2)
Late fees down by an average of $6; more people making above-the-minimum payments to lower their interest costs; far fewer young adults signing up for credit cards in the first place – these are some of the results of the Credit Card Accountability Responsibility and Disclosure (or CARD) Act, according to a report issued this week by the Consumer Financial Protection Bureau.

Coming Soon? An Occupy Wall Street Debit Card
(Colin Moynihan, New York Times, 10/1)
"To mark the second anniversary of the Occupy Wall Street movement last month, an assortment of protests, marches and rallies were held, to support or oppose mostly predictable causes.

"At the same time, a far more surprising undertaking began with far less fanfare: creating a prepaid Occupy debit card.

"The idea, led by a group that includes a Cornell law professor, a former director of Deutsche Bank and a former British diplomat, is meant to serve people who do not have bank accounts, but it also aims to make Occupy a recognized financial services brand.

"On Sept. 17, the day of the anniversary, the group, known as the Occupy Money Cooperative, began raising money to pay for initial operating expenses. The group's Web site invites visitors to 'join the revolution,' suggesting that using the card might represent a 'protest with every purchase…'"

CONSUMER FINANCIAL PROTECTION BUREAU

Interview with Director Richard Cordray
(Sheryl Harris, Cleveland Plain Dealer, 10/4)
"Last week in Washington, Consumer Financial Protection Bureau Director Richard Cordray sat down to talk about payday lending, consumer education and what he's learned since leaving the Ohio attorney general's job for the the challenges of running a start-up federal agency.

"Q. Give me an idea where the bureau is right now on payday lending, in terms of where you want to be ultimately.

"A. This has been, as you know, a topic of keen interest to the bureau and myself. We recognize there is a clear demand among consumers for small-dollar credit, and it's one that the market has sometimes struggled to fulfill over the years. Our main concern is that demand for credit be fulfilled in ways that are actually beneficial to consumers and not harmful to them…"

U.S. Consumer Watchdog Says 2009 Law Reduced Credit Card Fees
(Reuters, 10/1)
"The total cost of credit card fees and interest payments to U.S. consumers fell and charges for going over allowable credit limits effectively disappeared after a 2009 law cracked down on the market, according to a report released on Wednesday.

"The U.S. Consumer Financial Protection Bureau's first report on the so-called CARD Act said costs are easier to understand and consumers are better protected from credit cards they cannot afford than they were before Congress passed the law…"

Report: Big Banks, Big Complaints: CFPB's Consumer Complaint Database Gets Real Results for Consumers (NJPIRG, September 2013)

DERIVATIVES AND COMMODITIES

Shutdown Bad Timing for CFTC
(Zachary Warmbrodt, Politico, 10/2)
"The start of the government shutdown Tuesday is not a welcome development for any federal agency, but the timing is particularly bad for the Commodity Futures Trading Commission.

"Major new policies required by the 2010 Dodd-Frank law are just being put into place, and the agency is also trying to vote on pending rules before CFTC Chairman Gary Gensler departs at the end of the year.

"Right now, time and resources are precious for the country's derivatives regulator, and the shutdown is depriving it of both…"

Derivatives Watchdog Gets New Top Cop
(Julian Hattem, The Hill, 10/1)
"The Commodity Futures Trading Commission (CFTC) is getting a new enforcement chief. The agency announced Tuesday that Gretchen Lowe would be the acting director of its enforcement division. She currently serves as the division's chief counsel.

"'She has deep Enforcement experience and has been a real leader on the cases of most significance to our markets, including those related to the rigging of benchmark interest rates, such as LIBOR,'" Chairman Gary Gensler said in a statement.

Fed Commodities Review Includes Goldman, Morgan Stanley
(Cheyenne Hopkins and Michael J. Moore, Bloomberg, 10/1)
"The Federal Reserve has expanded its scrutiny of banks' physical commodities operations to encompass businesses run by Goldman Sachs Group Inc. (GS:US) andMorgan Stanley (MS:US) that Congress had previously authorized.

“The Fed is examining all legal and regulatory exemptions that allow banks to participate in the commodities markets, said a person briefed on the process who asked not to be named because the review is confidential. The appraisal, intended to minimize potential risks to the financial system, widened since the Fed said in July that it’s reconsidering its landmark 2003 decision to grant some lenders, such as Citigroup Inc. (C:US) and JPMorgan Chase & Co., permission to expand into raw materials.

“U.S. law restricts banks from owning non-financial businesses unless they get special exemptions. Goldman Sachs and Morgan Stanley were the two biggest U.S. securities firms until they converted into banks in 2008. A 1999 law ‘grandfathers’ any commodities operations they had before Sept. 30, 1997…”

O'Malia: CFTC Should Rethink Controversial Margin Rule
(Tom Polansek, Reuters, 9/26)
“The Commodity Futures Trading Commission should reconsider a proposal to bar brokers from using excess money from one customer to cover the temporary shortfall of another, a top U.S. derivatives regulator said on Thursday ..

“The CFTC proposal ‘makes no effort to quantify the cost borne by those customers, or to link that cost directly to the actual risk those customers introduce into the derivatives markets,’ [CFTC commissioner Scott] O'Malia said…”

Coal Giant Earned More Shorting Coal than Exporting It
(Sightline Daily, 9/23)
“Cloud Peak Energy, one of the major coal producers in the Powder River Basin, is doing its very best to sound upbeat about coal exports. In an investor conference call this past July, the company declared that, even though falling international coal prices had eaten into their earnings, their exports were ‘still profitable overall.’ But a close look at Cloud Peak’s second quarter financial statements suggests a far stranger story: the company’s export division actually made most of its profits from derivatives trading rather than coal. Stripping away the financial-speak, the implications are striking: Cloud Peak’s export arm made at least 10 times more money *betting against coal* than it did *selling coal*…”

Wall Street Launches Defense of Physical Commodities Role
(Reuters, 9/19)
“Wall Street launched its first concerted defense of its role in physical commodity markets on Thursday, funding a report that highlighted the risks of banks being pushed out of the sector by political and regulatory pressure, and gaining support from an influential trade group.

"’Banks play an essential role in assuring the smooth functioning of the commodity markets which underpin the $16.6 trillion U.S. economy, and on which consumers ultimately rely,’" said the report by IHS, a major global research, analysis and specialist information group that in recent years has bought some of the world's foremost energy consultancies.

"The report comes weeks before the U.S. Senate Banking Committee is expected to hold its second hearing on the issue of Wall Street's deepened involvement in physical markets, which has come under intense public scrutiny over allegations that bank-owned metal warehouses have inflated prices…"

US Rules Endanger Derivatives Reforms, Says Top UK Regulator
(Financial Times, 9/19)
The UK's chief financial regulator warns his US counterpart that the success of new rules aimed at safeguarding the world's derivatives markets could be undermined by a focus on national interests. Martin Wheatley, head of the Financial Conduct Authority, is expected to urge greater co-operation between authorities as the US looks to finalize a critical part of a G20 mandate to tighten derivatives trading in October. 'Does it make hard-nosed, practical sense for any one national regulator to attempt to regulate all derivatives activity with any link to its jurisdiction?' Mr. Wheatley is expected to say in his speech. 'The clear risk is that a patchwork quilt of national and regional rules runs the risk of becoming unworkable. A mess.' His comments on Thursday are likely to be seen as a response to US plans, led by the Commodity Futures Trading Commission, to introduce definitions that would probably capture swaths of the market that deal with or use US institutions for trading…"

EXECUTIVE COMPENSATION

Fixing Exorbitant CEO Pay: All is Not Lost
(Eleanor Bloxham, Fortune/CNN, 9/30)
"Despite what has felt like relentless insanity, the prognosis for positive pay and leadership changes looks better than it has for a decade.

"On September 18, the SEC proposed a Dodd-Frank rule that would require companies to report CEO-to-median-worker-pay ratios. The proposed calculation includes global employees, something Vineeta Anand, chief research analyst at the AFL-CIO Office of Investment, had advocated.

"Some board members I've talked to complain that the **averages** currently available (like CEOs earning 350 times the average worker's pay) aren't all that helpful because the denominator doesn't use individual company data. The new proposed disclosure requirements correct that weakness. And companies that wish to provide additional information to make the measure even more meaningful will be free, of course, to do so.

"With more luck than may be possible, the ratio could become a new metric some CEOs follow and aspire to reduce…"

Face It: Americans Resent How Well Industry is Paid
(Bruce Kelly, InvestmentNews, 9/29)
"Five years after the Lehman Brothers Holdings Inc. bankruptcy, the issue of compensation in the financial services and financial advice industries remains front and center. A series of

unrelated events this month put the spotlight on executive and adviser bonuses, resulting in ripples of embarrassment and ill will across the financial advice industry…"

Exposing the Pay Gap
(New York Times editorial, 9/24)
"Of all the provisions in the vast and complex Dodd-Frank financial reform law, one of the most far-reaching is also the most direct and easily understood. It requires public companies to compute and disclose the ratio of a chief executive's pay to that of a typical employee. For more than three years, however, corporate America has resisted the mandate, warning that following the law would be a logistical nightmare, unduly complex and ultimately meaningless. The complaints never rang true. Companies already disclose executive pay and surely know how much they pay their employees. From there, computing the "pay ratio" is not rocket science…"

FED CHAIRMANSHIP

Yellen Would Bring Tougher Tone to the Fed
(Wall Street Journal, 9/22)
"Janet Yellen, the lead candidate to succeed Federal Reserve Chairman Ben Bernanke, brings a demanding and harder-driving leadership style to the central bank, in contrast to Mr. Bernanke's low-key and often understated approach.

"Ms. Yellen, the Fed vice chairwoman, is highly regarded by many central bank staff members, who call her an effective leader with a sharp mind. But she has clashed with others and left some hard feelings in the wake of those confrontations, according to interviews with more than a dozen current and former staff members and officials who worked with her directly in recent years…"

Bill Clinton: Summers Slandered
(Politico, 9/22)
"Bill Clinton says Lawrence Summers, his former Treasury secretary, did not deserve the criticism he received when he was under consideration to be the next chairman of the Federal Reserve. 'I think there's this kind of cartoon image that's been developed that somehow Larry Summers was a one-note Johnny, just trying to let big financial titans ravage the land,' the former president said in an interview aired Sunday on CNN's *Fareed Zakaria Live*. 'And it's just ludicrous.' Clinton said Summers, who came under criticism from liberals for being too close to Wall Street's largest financial institutions, had accomplished much. Summers has also served as director of the National Economic Council, chief economist of the World Bank and president of Harvard."

INVESTOR PROTECTION

No Measly Shutdown Can Keep Congress from Sucking Up to Wall Street
(David Dayen, New Republic, 10/1)
"Just because the government has shut down doesn't mean Congress will cease its central function of making Americans' lives miserable. While everyone watches the legislative back-and-forth on the budget, the House may vote this week to thwart a key new Labor Department protection affecting $10.5 trillion in retirement funds. Basically, House Republicans want to allow the financial services industry to continue to steal from your 401(k) and IRA plans. And far too many Democrats want to help them…"

John Coffee Jr.: 'Bad Actors' and Worse Policy
(New York Law Journal 9/19)
"Is the SEC capable of blushing? Increasingly, there are occasions in which the Securities and Exchange Commission takes positions so inconsistent with the protection of investors and its own history and so deferential to the industry that one has to ask: What were they thinking? How can a federal agency be that tone deaf?"

Recently convicted felons will be free to advertise securities, under the terms of a recent SEC proposal. "Think what this actually means. A person convicted today of securities fraud could make a Rule 506 offering involving a general solicitation when that rule becomes effective later this month. Put more bluntly, Bernie Madoff could use the rule (at least unless he had been otherwise enjoined)…"

MORTGAGES AND HOUSING

Mortgage Relief Didn't Help Many Keep Their Homes, Critics Say
(E. Scott Reckard, Los Angeles Times, 9/25)
"When five giant mortgage firms signed a landmark $25-billion mortgage settlement last year, officials hailed debt forgiveness as the primary strategy to preserve homeownership. The banks hoped to avoid further enforcement action over widespread foreclosure abuses; federal regulators and state attorneys general aimed to prevent even more foreclosures. 'This isn't just about punishing banks for their irresponsible behavior,' Housing and Urban Development Secretary Shaun Donovan said. 'It's also about requiring them … to help homeowners stay in their homes.' Advocates for borrowers took such comments to mean that the banks would prioritize debt write-downs on first mortgages, which banks resisted before the settlement. Now, with nearly all the promised relief handed out, it is clear that the banks had other ideas..."

California Organization Unveils Servicer Scorecard
(Hugh Moore, Dallas Star News, 9/24)
"A federally funded mortgage assistance program in California has announced a monthly online Servicer Scorecard that will evaluate mortgage servicers on such points as the percentage of applications approved, how long it takes to respond to applications, and the total funding issued per program in that particular month. Keep

Your Home California's (KYHC) Servicer Scorecard is meant to promote awareness of the program, which works to prevent foreclosures and blight…"

Another Ploy to Rip off Homeowners
(Sarah Edelman, Center for American Progress, US News, 9/20)
"If you had to buy insurance, would you ask JP Morgan Chase or Wells Fargo to choose a policy for you? Probably not. And yet, the Federal Housing Finance Agency is allowing Chase, Wells and other mortgage servicing giants to insurance-shop for millions of homeowners who get saddled with absurdly over-priced coverage while the big banks walk off with kickbacks from the insurance companies…"

BANKS AND MORTGAGE-BACKED SECURITIES

Behind JPMorgan's Potentially Massive Settlement With Feds
(NPR, All Things Considered, 10/5)
"JPMorgan Chase could be facing the largest bank fine in U.S. history, an $11 billion settlement related to allegations of mortgage abuse during the housing crisis. Heidi Moore, U.S. finance and economics editor at the Guardian, explains what led to the negotiation between federal bank regulators and one of the world's largest financial institutions."

Wall Street Feeling New Heat From A Trio Of Officials
(Danielle Douglas, Washington Post, 9/27)
"In the years after the financial crisis nearly toppled the U.S. economy, few government officials were successful in holding Wall Street accountable. That is changing.

"The reckoning for Wall Street's sins, while still in the early phases, may finally be at hand. And some analysts and officials point to three figures in New York and Washington who have been at the forefront of the effort… [They are] U.S. Attorney Preet Bharara in Manhattan, U.S. District Judge Jed S. Rakoff and Securities and Exchange Commission Chairman Mary Jo White…"

Judge Holds Key to JPMorgan Settlement
(Kara Scannell and Tom Braithwaite, Financial Times, 10/3)
"JPMorgan Chase's potential record penalty to settle allegations it mis-sold mortgage securities is being heavily influenced by a 66-year-old cyclist named Dee, who rides downtown to work daily from her apartment on Riverside Drive in New York…"

Why Judges Are Scowling at Banks
(Gretchen Morgenson, New York Times, 9/28)
"Last week, for the first time since the financial crisis, the government faced off in court against a major bank over lending practices during the mortgage mania. Lawyers for the Justice Department contend that Countrywide Financial, a unit of Bank of America, misrepresented the quality of mortgages it sold to Fannie Mae and Freddie Mac, the taxpayer-owned mortgage finance giants, starting in 2007. Fannie and Freddie incurred

gross losses of $850 million on the defective loans and net losses of $131 million, the government said.

“Bank of America disagrees. Its lawyers say that Countrywide did not defraud Fannie or Freddie.

“This case is undoubtedly big, but it is only one of many mortgage-related matters inching through the judicial system. And what is notable about some of the lower-profile matters is the tone and tack that federal judges are taking in their rulings. District court judges are not generally known as flamethrowers, but some seem to be losing patience with the banks…”

<u>JPMorgan Said in Talks to Settle U.S. Mortgage Probe</u>
(Phil Mattingly, Dawn Kopecki & Karen Gullo, Bloomberg, 9/25)
“JPMorgan Chase & Co. (JPM) resumed settlement talks with the U.S. after authorities prepared to sue the bank yesterday in California federal court alleging it misrepresented the quality of mortgage-backed securities it sold from 2005 to 2007, a person familiar with the matter said. The government told JPMorgan it was ready to file a complaint yesterday in Sacramento, the person said. Soon after, talks restarted between the bank and Justice Department officials over a possible settlement, said the person, who asked not to be identified because the matter isn’t public. JPMorgan is seeking to negotiate an accord resolving mortgage-bond investigations being conducted by federal and state authorities, including probes by the U.S. attorneys in Sacramento, Philadelphia and Washington, according to another person briefed on the effort…”

<u>JPMorgan in $11 Billion Settlement Talks Over Mortgage Securities</u>
(Tom Braithwaite and Kara Scannell, Financial Times, 9/26)
"JPMorgan Chase is preparing to settle all of its outstanding mortgage securities issues for about $11bn as part of a deal with US state and federal authorities ... The $11bn comprises $7bn cash and $4bn of mortgage relief for struggling homeowners as penalties for allegations that the bank packed mortgage-backed securities with faulty home loans in the run-up to the crisis ... If finalised, the settlement would surpass a $4.5bn settlement paid by BP to resolve criminal charges over the Gulf of Mexico oil disaster. ... Crucially, the deal, which is expected to be agreed formally within days, would resolve a multibillion-dollar claim from the [FHFA] for alleged misselling of mortgage securities, which was seen as the single biggest legal threat to the bank.

"The US's threat to sue the bank on Tuesday reignited negotiations between the parties. The bank's initial settlement offer was rejected by Eric Holder, the US attorney general, as too low, a person familiar with the matter said. Although the bank has now expressed willingness to pay the $11bn amount, it is resisting any sweeping admission of guilt, which could jeopardise its defence against private litigation on similar issues. The scope of the bank's admissions represents a sticking point - both because they could fuel other suits and because JPMorgan had previously denied wrongdoing in some of them."

PAYDAY AND ONLINE LENDING

Momentum Builds Against All Types Of Payday Loans

(Center for Responsible Lending, 10/4)
"Even as payday lenders attempt to defend their defective product, a growing number of actions by federal and state regulators are cracking down on their predatory practices.

"In the past 10 days, four major federal agencies—the Federal Deposit Insurance Corporation (FDIC), the Consumer Financial Protection Bureau (CFPB), the Department of Justice (DOJ) and the Federal Trade Commission (FTC)—took significant actions against all types of payday lenders, including banks that support payday loans. Additionally, in recent months, numerous states have stepped up to rein in payday lending, including key enforcement actions by Attorneys General.

"'Payday loans, regardless of whether made by banks, stores, or online, are designed to create a destructive cycle of debt,' said Diane Standaert, senior legislative counsel at the Center for Responsible Lending. 'Payday loans drain over $3 billion in fees a year, mostly due to churning individuals every payday.'…"

Payday Lenders Face Tougher Rules in UK

(BBC, 10/4)
"The Financial Conduct Authority (FCA) has proposed that all borrowers should have an "affordability" check before being given a loan. Among other new rules, the FCA wants to put risk warnings on adverts and marketing material.

"The payday industry gave the plans a guarded welcome, saying irresponsible lenders would struggle to comply…"

Banks Pressured to Settle in Online Lending Probe

(Kevin Wack, American Banker, 9/25/13)
"The Justice Department is pressuring banks under investigation for their ties to online lenders to reach a settlement soon, according to four industry sources familiar with the matter. The investigation concerns electronic payments that banks process for online lenders suspected of fraudulently accessing their customers' bank accounts.

"Roughly 50 banks and third-party payment processing firms have received subpoenas from the Justice Department, according to sources. The Justice Department's strategy is to reach a settlement in the coming weeks with one of the banks and then to use the terms of that agreement as a template in talks with other banks, the sources said.

"A Justice Department official declined to comment on settlement talks. But the official said that the department's investigation — first disclosed publicly in March — has had an 'immediate effect' on the ability of certain lenders to access customer funds through the banking system. The DOJ says it is zeroing in only on fraudulent online lenders, though many in the banking and payment-processing industries take issue with that characterization…"

Is FDIC Waging Stealth Crackdown on Online Lenders?
(Joe Adler and Kevin Wack, American Banker, 9/20/13)
"The Federal Deposit Insurance Corp. is facing accusations that it is forcing banks to cut ties with online payday lenders, but the agency says it is only urging banks to be on guard about merchant relationships that elevate their risk…"

STUDENT LOANS

Consumer Financial Protection Bureau Questions Campus Banking Arrangements
(Libby Nelson, Politico Pro, 9/28/13)
"The CFPB today compared student checking account and debit card agreements with now-outlawed student loan and credit card practices — suggesting that the booming products aren't as well-regulated as their counterparts.

"I am concerned that some of our colleges and universities, whether well-intentioned or not, may be encouraging or even requiring our young people to use financial products that do not offer the best deals," Richard Cordray, the bureau's director, will say at an event this afternoon about banking on campus, according to prepared remarks.

"Since 2008, colleges have been forbidden to maintain "preferred lender lists" that direct students to a particular bank for private student loans. And the CARD Act, passed in 2009, prohibits giveaways to college students who sign up for credit cards or kickbacks to colleges whose students carry a balance. But the bureau found that checking accounts and prepaid debit card agreements, which aren't subject to the same laws, can involve similar practices…"

Elizabeth Warren Calls For Big Changes To Student Loans
(Tyler Kingkade, Huffington Post, 9/29)
"College graduates struggling to repay their student loans should have an easier time getting their debt eliminated if they go into bankruptcy, Sen. Elizabeth Warren (D-Mass.) said Saturday.

"Warren laid out several reforms to address the rising costs of higher education in a speech at the Education Writers Association's Conference on Higher Education, held at Northeastern University… She also called for the reversal of reforms enacted in the past three decades that have made discharging education debt practically impossible, except in extreme circumstances…"

VOLCKER RULE

Volcker Rule Costs Tallied as U.S. Regulators Press Deadline
(Jesse Hamilton & Cheyenne Hopkins, Bloomberg, 9/30)
"The fate of the Dodd-Frank Act's ban on banks trading for their own accounts -- one of the final pieces of the U.S. effort to prevent a repeat of the 2008 financial crisis -- may rest with a cluster of economists at the Securities and Exchange Commission.

"The agency's 50 economists are attempting to calculate the costs and benefits of the so-called Volcker rule, a linchpin of the financial overhaul that would curb the kind of high-stakes proprietary trading that could lead to crippling losses or bailouts at banks like JPMorgan Chase & Co. (JPM) or Citigroup Inc…"

OTHER TOPICS

Carried Interest Tax Break Risks Being Undercut by Court
(Richard Rubin, Bloomberg, 9/25/13)
"A federal court ruling that's captured the attention of the private equity world and U.S. government officials has the potential to undercut the legal tax foundation of the buyout industry. The ruling, in a pension-law case involving Sun Capital Partners Inc., determined that private-equity funds were engaged in a 'trade or business' and weren't merely passive investors who could back out of pension-funding liabilities. If courts or regulators apply that logic to the U.S. tax code, the changes could jeopardize the structure of the industry by altering some core benefits of private equity. Those are low-taxed carried interest for fund managers, tax-free income for universities and an exemption from U.S. taxes for foreign investors…"

Regulator's Pledge to Weigh Rulemaking Costs Wins GOP Praise
(Ben Goad, The Hill, 9/24/13)
"The chairman of the House Committee on Oversight and Government Reform is lauding an independent securities regulator for making cost-benefit analysis a formal part of its rulemaking.

"The Financial Industry Regulatory Authority Inc.'s (FINRA) issued guidance last week, laying out a framework for rulemaking meant to 'ensure that its rules are better designed to protect the investing public and maintain market integrity while minimizing unnecessary burdens.'

Rep. Darrell Issa (R-Calif.), whose committee has scrutinized regulation of the securities industry, hailed the action. 'Today's announcement is a step in the right direction and a recognition of the government-wide consensus that rigorous economic analysis is critical to creating better regulations,' Issa said..."

The Lowdown on Serving Low-Income Populations
(Heather Anderson, Credit Union Times, 9/26/13)
"Credit unions talk a good game about wanting to serve low-income populations. But do they really? Will regulators and insurers even let them?

"The topic has been on my mind lately, and the 2013 Community Development Financial Institutions Fund announcements earlier this week brought it to the forefront…"