
AMERICANS FOR FINANCIAL REFORM

THIS WEEK IN WALL STREET REFORM JANUARY 10 – 16, 2015

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THE ASSAULT ON DODD FRANK

[In New Congress, Wall St. Pushes to Undermine Dodd-Frank Reform](#)

Jonathan Weisman and Eric Lipton, New York Times, 1/14/15

In the span of a month, the nation’s biggest banks and investment firms have twice won passage of measures to weaken regulations intended to help lessen the risk of another financial crisis, setting their sights on narrow, arcane provisions and greasing their efforts with a surge of lobbying and campaign contributions... The financial industry has been methodical, drafting technically complicated legislation that can pass the heavily Republican House with a few Democratic votes. And then, once approved, it has pushed to tack such measures on to larger bills considered too important for the White House to block...

“This all works together: Put it up for stand-alone vote, get some Democrats on it, and then when you push it onto a must-pass bill, say it’s a bipartisan bill that’s already passed,” said Marcus Stanley, policy director of **Americans for Financial Reform**, which favors tighter regulation of Wall Street. “The strategy on Dodd-Frank is death by a thousand cuts.”

[A Strategy in the Fight Over Dodd-Frank: Go Big](#)

Jesse Eisinger, New York Times, 1/14/15

Battling over each provision is the least favorable terrain for the pro-reform crowd. In a series of conversations I’ve had recently with Democratic strategists and reformists, an alternative is clear: Go big. President Obama and his administration could argue clearly and publicly that the banks have not learned their lesson from the financial crisis. That they have obstructed the reform process. That they are so big, they can buy the political process. That because of this, the financial system is once again in danger. President Obama could then call for real reform — this time, a significant overhaul of our financial system.

[Let’s Leave Wall Street’s Risky Practices In The Past:](#)

Jacob Lew, Washington Post, 1/9/15

[GOP Wants to Roll Back Portions of Dodd-Frank Law, Prompting Democratic Backlash](#)

Michael R Cittenden, Wall Street Journal, 1/12/15

Led by Sen. Elizabeth Warren (D., Mass.) and Rep. Maxine Waters of California, the top Democrat on the House Financial Services Committee, Democrats are decrying what House Minority Leader Nancy Pelosi (D., Calif.) last week called the “Wall Street wish-list agenda...”

The tensions reflect the growing prominence of the financial regulations as a political issue, fueled in part by Ms. Warren, whose populist rhetoric against Wall Street [accelerated late last year](#) when negotiators included a Dodd-Frank rollback provision in a fiscal 2015 government-funding bill. The hardening battle lines also suggest the parties see the issue as a key one in 2016, with their positions on Wall Street reflecting their broader views on the reach and role of government in the economy, much as with the health care law in 2012.

[Main Street Banks Play the Wall Street Lobbying Game](#)

Chris Potter, Pittsburgh Post-Gazette, 1/11/15

PNC, the nation's 10th largest bank, hasn't spent the past few years just building itself into a financial behemoth. Like many other banks, it's built up political capital too. And last year, it spent some of that currency to help roll back a regulation intended to prevent another Wall Street bailout.

That so-called "push-out provision," which was to go into effect later this year, was part of Congress' 2010 Dodd-Frank financial reforms. The controversial measure, Section 716, barred banks with federally insured deposits from engaging in certain potentially high-risk financial transactions. Such deals would have to be "pushed out" to an affiliate that wasn't federally insured, and whose losses taxpayers wouldn't be on the hook for.

But Section 716's ban was largely repealed in December, thanks to a provision contained within the 1,603-page "cromnibus" bill passed to avert a government shutdown.

Swaps have legitimate uses, but "when things go wrong in this area, they go very very wrong," said Marcus Stanley, policy director at watchdog group **Americans for Financial Reform**.

[Republican Assault on Dodd-Frank Act Intensifies](#)

Barney Jopson, Financial Times, 1/14/15

Marcus Stanley, policy director of **Americans for Financial Reform**, which backs tougher regulation of Wall Street, said banks and their Republican allies were seeking to chip away at Dodd-Frank with a series of piecemeal delays and limits on regulatory authority.

"The strategy is to take many of these bills and amendments and combine them together into packaged legislation. In combination, these so-called technical fixes will very significantly undermine Dodd-Frank and make it impossible to effectively police the financial sector," he said.

[Kicking Dodd-Frank in the Teeth](#)

Gretchen Morgenson, New York Times, 1/10/15

"We're going to see repeated attempts to go in with seemingly technical changes that intimidate regulators and keep them from putting teeth in regulations," predicted Marcus Stanley, policy director at **Americans for Financial Reform**, a nonpartisan, nonprofit coalition of more than 200 consumer and civic groups across the country. "If we return to the precrisis business as usual, where it's routine for people to accommodate Wall Street on these technical changes, they're just going to unravel the postcrisis regulation piece by piece."

[JPMorgan CEO Says 'Banks Are Under Assault'](#)

Tracey Samuelson, Marketplace, 1/14/15

Marcus Stanley, policy director of **Americans for Financial Reform**, says Dimon has it backward – regulators and Congress are under assault from the financial lobby due to ongoing efforts to repeal various elements of the Dodd-Frank financial reforms passed in 2010.

[Are Wall Street and Big Business Running the Show in the New Congress?](#)

Danny Biederman, Noel Brinkerhoff, AllGov.com, 1/16/15

Former Representative Barney Frank (D-Massachusetts), who coauthored Dodd-Frank, has complained that President Barack Obama has not been willing to stand up to Wall Street's efforts to erode the law. In fact, his signing this week of a reauthorization of the [Terrorism Risk Insurance Act](#) (pdf) (TRIA) had the effect of doing away with a number of financial industry regulations, given that TRIA includes a provision designed to chip away at Dodd-Frank. Senator Elizabeth Warren (D-Massachusetts) and other Democrats strongly opposed that provision.

"The president was slow in drawing the same kind of line on financial reform that he did on health care," Frank told the *Times*.

[House Passes Fitzpatrick Bill Easing Rules Regulating Wall Street](#)

James McGinnis, The Intelligencer, 1/15/15

[House Passes Bill Further Weakening Financial Regulation](#)

Interview with William K. Black, The Real News Network, 1/15/15

[House Tries to Stop All New Government Rules](#)

Michael Mcauliff, Huffington Post, 01/13/15

[Dem Blasts 'Orgy' of GOP Attacks on Obama Regs](#)

Time Devaney, The Hill, 1/12/15

[Battle Lines Form Over Dodd-Frank, Volcker Rule](#)

Renee Caruthers Fiercefinaanceit, 1/13/15

[Obama Threatens Veto of Republican Volcker-Delay Bill](#)

Emily Stephenson, Reuters, 1/12/15

[JPMorgan Ceo Dimon Says Banks 'Under Assault' By U.S. Regulators](#)

Hugh Son, Bloomberg, 1/14/15

[Elizabeth Warren's Warnings About Financial Reform Are Already Coming True](#)

Danny Vinik, The New Republic, 1/09/15

[Wall Street's Investments in Deregulation](#)

John Sugden, OpenSecrets, 1/14/15

[Pope Calls For More Market Regulation, Denies He Is Marxist](#)

Phillip Pullella, Reuters, 1/11/15

[Pelosi Statement on Republican Efforts to Undermine Wall Street Reform](#)

Press Release, Office of Rep. Nancy Pelosi, 1/14/15

[JPMorgan CEO Whines That Regulators Are Being Too Mean](#)

Luke Brinker, Salon, 1/14/15

[A Bucks Congressman's Bill Is In Eye Of Dodd-Frank Storm](#)

Jonathan Tamari, Philadelphia Inquirer, 1/16/15

[There's a Big Wall-Street Regulation Showdown Brewing In Washington Right Now](#)

Portia Crowe, Business Insider, 1/13/15

[Republicans In Congress Begin New Effort To Water Down Dodd-Frank Law](#)

Jim Puzzanghera, Los Angeles Times, 1/13/15

[Powerful Community Banks Submit 'Wish List' To Congress](#)

Ryan Tracy, Wall Street Journal, 1/14/15

CONSUMER FINANCE & THE CFPB

[ABA Urges OIG To Expand Scope of Consumer Complaint Database Audit](#)

Barbara S. Mishkin, CFPB Monitor, 1/15/15

The American Bankers Association (ABA) has sent a [letter](#) to the Office of the Inspector General (OIG) urging it to expand two of its ongoing CFPB projects: an audit of the CFPB's public consumer complaint database and a security control review of the CFPB's DT complaints database (which supports the public consumer complaint database).

[Several House Committee Chairmen to Get Unilateral Subpoena Power](#)

Kristina Peterson & Andrew Askerman, Wall Street Journal, 1/13/15

[GOP to Give Elizabeth Warren's Consumer Protection Agency the Darrell Issa Treatment](#)

Erika Eichelberger, Mother Jones, 1/16/15

[A New Congress, a New Chance to Rein In the CFPB](#)

Eric Grover, American Banker, 1/13/15

[Strengthening the Military Lending Act to Protect Troops from Predatory Practices](#)

Joe Valenti & Lawrence J. Korb, ThinkProgress, 1/15/15

[Questioning Debit Card Deals](#)

Michael Stratford, Inside Higher ED, 1/15/15

[Sen. Warner Urges Banking Regulators to Move More Aggressively to Address Consumer Financial Protections](#)

Press Release, Mark Warner Office, 1/12/15

[Military Lending Act 'Loopholes' Are Costing Troops Money](#)

Herb Weisbaum, NBC News, 1/14/15

[Predatory Lenders Put People on the Streets -- and in Prison](#)

Norman Roberts, Dallas Morning News, 1/09/15

[Online Payday Lending Companies to Pay \\$21 Million to Settle FTC Charges that They Deceived Consumers Nationwide](#)

Press Release, Federal Trade Commission, 1/16/15

[Robocallers are Coming After Your Cellphone](#)

Herb Weisbaum, NBC Today, 1/15/15

Since it's pretty hard to get someone to agree to have robots call them, the nation's bankers have asked the Federal Communication Commission (FCC) to change the rules to allow them to robocall their customers. In some cases, without their prior consent.

They also want to be exempt from legal action if they robocall the wrong number by mistake. This has got consumer groups buzzing with anger so more than 75 of them [sent a letter](#) to the FCC Wednesday telling them to "hang up" on this proposal.

[Poll: Majority of Utahans favor payday loan reform](#)

Lee Davidson, Salt Lake Tribune, 1/15/15

[A Religious Movement to End Predatory Payday Lending](#)

Rachel Hope Anderson, Tikkun, 1/14/15

[Giving Ohioans an Alternative to High Interest Payday Loans](#)

Senator Sherrod Brown, Pike County Daily, 1/14/15

[Chattanooga Seeks to Limit Payday Lending and Title Pawns](#)

Louie Brogdon, Times Free Press, 1/13/15

[Watch for Illegal Payday Lenders Operating Online](#)

Rita Robison, Seattle Post Intelligencer, 1/12/15

[Credit Counselor Has Ties to High-Interest Lenders](#)

Jason Zweig and Rachel Louise Ensign, Wall Street Journal, 1/12/15

[Can Churches Provide A Meaningful Alternative To Payday Lending?](#)

Ashlee Kieler, Consumerist, 1/12/15

[Churches Step in With Alternative to High-Interest, Small-Dollar Lending Industry](#)

Rebecca Robbins, Washington Post, 1/9/15

DERIVATIVES, COMMODITIES & THE CFTC

[SEC Approves Rules Requiring Public Reporting Of Swap Trades](#)

Dave Michaels and Silla Brush, Bloomberg, 1/14/15

EXECUTIVE COMPENSATION

[Golden Parachutes Are Lead Balloon for Investors](#)

Christ Bryant And Arash Massoudi, Financial Times, 1/14/15

[The Van Hollen Plan Takes on Soaring CEO Pay: A Debate We Need to Have](#)

Susan Holmberg, Next New Deal, 1/15/15

FINANCIAL TRANSACTION TAX

[Democrats, in a Stark Shift in Messaging, to Make Big Tax-Break Pitch for Middle Class](#)

Lori Montgomery & Paul Kane, Washington Post, 1/11/15

"The centerpiece of the proposal, set to be unveiled Monday by Rep. Chris Van Hollen (D-Md.), is a "paycheck bonus credit" that would shave \$2,000 a year off the tax bills of couples earning less than \$200,000. Other provisions would nearly triple the tax credit for child care and reward people who save at least \$500 a year.

The windfall — about \$1.2 trillion over a decade — would come directly from the pockets of Wall Street "high rollers" through a new fee on financial transactions, and from the top 1 percent of earners, who would lose billions of dollars in lucrative tax breaks.

[Democrats Gear Up To Battle Wall Street In The New Congress](#)

Mary Bottari, Center For Media And Democracy, 1/13/15

Experts and advocates quickly lauded Van Hollen's move which was quickly embraced by House Minority leader Nancy Pelosi.

"Democratic leadership has put the Wall Street Speculation tax right in the center of economic policy conversation, which is where it should be," said Lisa Donner of **Americans for Financial Reform**, who has long pushed for the tax. "It raises revenue from Wall Street while pushing against dangerous excess speculation." AFR pointed out the tax is similar to one being pursued by 11 other European countries.

[Democrats' Plan for Financial Transactions Tax Would Bring Financial Markets into 21st Century](#)

Dean Baker, CEPR, 1/12/15

HOUSING AND MORTGAGES

[Fannie and Freddie Directed to Aid Underserved Borrowers in 2015](#)

Clea Benson, Bloomberg, 1/14/15

[Small Steps Toward a Modernized Community Reinvestment Act](#)

Joe Valenti & Julia Gordon, Center for American Progress, 1/15/15

[Consumer Financial Protection Bureau Report Finds Nearly Half Of Borrowers Do Not Shop For A Mortgage](#)

eNews Park Forest, 1/13/15

INVESTOR RIGHTS AND THE SEC

[New Fiduciary Push Faces Longer Odds](#)

Arthur D. Postal, InsuranceNews.Net, 1/16/15

The initiative by the consumer groups this week is the opening bell of what is expected to be a renewed push by the Obama administration and consumer groups to impose a fiduciary standard of care on the advice that insurance agents and other financial professionals provide in selling investment retirements to 401(k) beneficiaries under the Employee Retirement Income Security Act (ERISA).

But the fiduciary push is facing an uphill battle. Besides opposition from the insurance industry and others, the larger Republican congressional majority is also apparently not in favor of expanding the standard...

In anticipation of the proposal, the coalition launched SaveOurRetirement.org to educate workers and retirees about what the coalition calls the “retirement advice loophole” and mobilize public support to close it. Its members include AARP, the American Federation of State, County, and Municipal Employees (AFSCME); the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO); **Americans for Financial Reform**; Better Markets; the Consumer Federation of America; and the Pension Rights Center.

[Time to Close Wall Street’s “Retirement Advice” Loophole](#)

Mike Hall, AFL-CIO Now, 1/15/15

[New Coalition Pushes For Fiduciary Rule](#)

Megan Leonhardt, WealthManagement.com, 1/15/2015

[Coalition Petitions For Pension Advisor Fiduciary Mandate](#)

Ted Knutson, Financial Advisor, 1/15/2015

[UBS to Pay \\$14 Million to Resolve Dark Pool Case](#)

Bradley Hope and Chelsey Dulaney, Wall Street Journal

[Florida Tallies The Price of Financial Scams](#)

Margie Manning, Tampa Bay Business Journal, 1/15/15

POLITICAL INFLUENCE OF WALL STREET AND REVOLVING DOOR

[Elizabeth Warren Wins On Antonio Weiss Nomination](#)

Ben White, Politico, 1/12/15

[Antonio Weiss Won't Be Nominated To Treasury: Senator Professor Warren Thanks You For Playing](#)

Charles P Pierce, Esquire, 1/13/15

STUDENT LOANS

[CFPB Considers Tool to Spell Out Bank Fees On Campus Products](#)

Rachel Witkowski, American Banker, 1/14/15

[Feds Take on College Debit Cards](#)

Claes Bell, Bankrate, 1/14/15

SYSTEMIC RISK

[Big Banks Aren't Looking So Pretty](#)

Paul R. La Monica, CNN, 1/12/15

[Why The Outlook For Big Banks Is Pretty Dismal](#)

Kayla Tausche, CNBC, 1/13/15

[After Rough Quarter, Some Ask if Wall Street Banks are Too Big](#)

CBS News, 1/15/1

[JPMorgan Chase's Results Augur a Year of Mediocrity for Big Banks](#)

Antony Currie, New York Times, 1/14/15

[Bernie Sanders Agrees With Goldman Sachs: JPMorgan Should Be Broken Up](#)

Huffington Post, 1/16/15

[A Citi Divided Could Stand Taller - the Real Value in a Split May be Found at Citigroup, Not JP Morgan](#)

John Carney, Wall St. Journal, 1/11/15

[Insurance Giant Metlife Appealing Regulatory Designation](#)

Associated Press, 1/13/15

[Metlife Suit Sets Up Battle Over Regulation](#)

Victoria Mcgrane and Leslie Scism, Wall Street Journal, 1/13/15

OTHER TOPICS

[Shelby Off to Fast Start as He Builds His Banking Panel Team](#)

Victoria Finkle, American Banker, 1/15/15