



## This Week in Wall Street Reform | July 9th – 22, 2016

Please share this weekly compilation with friends and colleagues.

To subscribe, email [erin@ourfinancialsecurity.org](mailto:erin@ourfinancialsecurity.org), with “This Week” in the subject line.

Archive of past issues [posted here](#).

### CONSUMER FINANCE & THE CFPB

#### [CFPB's Impact, Five Years On](#) | American Banker

The Consumer Financial Protection Bureau is taking a victory lap this week as it celebrates its fifth anniversary, noting its accomplishments during the past five years, including collecting \$11.7 billion in restitution for 27 million consumers.

Yet the milestone also marks an important shift for the agency. Up until recently the CFPB has been largely focused on fulfilling the many responsibilities given to it by the Dodd-Frank Act, which created the agency. But with rulemakings governing qualified mortgages, mortgage disclosures, remittances and arbitration mostly behind it, the CFPB will begin wading further into uncharted waters where it has more flexibility over what to pursue. Those include finalizing rules governing payday lending and targeting additional areas like prepaid cards, overdraft fees and auto lending — areas where action is not required by Dodd-Frank.

#### [As CFPB Hits Fifth Birthday, Not Everyone Is Celebrating](#) | Forbes (Lauren Gensler)

Consumer advocates are quick to applaud the work done by the bureau and say its efforts were long overdue. “The CFPB has made enormous strides in ensuring that the financial marketplace is fair to consumers,” wrote the **Americans for Financial Reform** in [a recent letter to Congress that defended the bureau](#).

CFPB critics, including many Republicans who want to repeal or significantly weaken Dodd-Frank, argue the agency wields far too much power and with too little oversight. They point out that its workforce has swelled to 1,500 people and it is run by a single individual who can only be fired by the President for cause. Even more galling to Congressional critics is that under the Dodd-Frank law, the CFPB gets its funding from the Federal Reserve, not Congress. That means the politicians can’t cut its budget as punishment, as they’ve done to the Internal Revenue Service.

#### [Senator Warren Celebrates the Bureau's Achievements](#) | Video

[Many Happy Returns for Consumers: The CFPB at 5 Years](#) | Center for American Progress (Joe Valenti)

[US PIRG Celebrates Accomplishments, Warns of Ongoing Threats](#) | Ed Mierzwinski

[The CFPB Turns 5 Today. Here's What It's Done \(and What It Hasn't\)](#) | Time (Ian Salisbury)

[CFPB'S Fifth Anniversary: Director Richard Cordray](#) | Joann Barefoot Group (Podcast)

See Statements by [AFR and allies](#), the [CFPB](#) and the [Center for American Progress](#) on the 5th Anniversary of the CFPB

[Cost of Overdrafts on Rise as Reg Action Looms](#) | American Banker

Dan Rollins, BancorpSouth's chief executive, cited the CFPB for his bank's drop in overdraft revenue. And he said consumers are more savvy now when it comes to managing their money.

"Consumers are smarter today. I think all the publicity that's out there certainly has impacted the consumer," Rollins said at a June 14 investor conference.

BancorpSouth charges \$36 per overdraft for most of its checking products. "One of the downsides to having all this online information about your account is people are less likely to overdraw," Maher said. "They know exactly what their account balances are."

[Consumer Regulator Gears Up For \\$10 Billion Fight On Checking Account Overdrafts](#) | Inside Sources

[CFPB Fines Santander \\$10 Million as Regulator Tightens Scrutiny of Overdraft Fees](#) | Wall St. Journal

[This is how Santander was treating its customers in the US](#) | Financial Times (Kadhim Shubber)

[2 Times a Credit Card Cash Advance Actually Makes Sense](#) | Forbes (Nick Clements)

[Pinklining: The Financial Threat More Women of Color Are Facing](#) | The Root (Damaso Reyes)

[Are payday lenders like Amscot a necessary part of the banking industry?](#) | Tampa Bay Times

The *Tampa Bay Times* interviewed 24 payday borrowers at one of Amscot's busiest locations, on Himes Avenue in Tampa. None believed they would be better off if payday loans were not available...

Although it operates only in Florida, Amscot has a national reach. **Americans for Financial Reform** found that in the 2013-14 election cycle, Amscot donated \$821,150 to national political campaigns, making it the 10th largest source of payday industry contributions.

See [Payday Lending – a small-business perspective](#) | YouTube Video with David Borris of Main Street Alliance

[Federal prosecutors want to force sale of Scott Tucker's Learjet](#) | Kansas City Star

[Senator joins financial reform advocates on payday loan regulation](#) | **Consumer Affairs Americans for Financial Reform**, American Federation of Teachers, the NAACP, Democracy for America, and the Center for American Progress were joined by Sen. Sherrod Brown (D-OH) in backing stronger provisions of a proposed rule by the Consumer Financial Protection Bureau (CFPB).

The rule, requiring payday lenders to determine that a borrower can actually repay the loan, is aimed at ending what the groups call an endless cycle of debt. In many cases, the borrower is unable to repay the loan two weeks later, when it is due, and must take out another loan – then another.

See [joint event on payday lending](#) with Senator Sherrod Brown and others. See also [letter](#) from 28 U.S. Senators urging CFPB to strengthen payday proposal.

[NCLR Action Fund Calls For Stronger Anti-Payday Regulations](#) | **Huffington Post (Rafael Collazo)**

[This Week's Google Payday Ban Will Inadvertently Do Harm](#) | **Forbes (Arjan Schütte)**

[CFPB Small-Dollar Plan: Some Good Ideas, But Not Enough](#) | **American Banker (William Isaac)**

[Government Is the Problem, Not the Solution, on Payday Loans](#) | **Inside Sources (Dean Chambers)**

About 12 million mostly lower-income Americans have the need to use payday loans to meet their financial needs, yet the administration and some liberal politicians in Congress want to eliminate entirely access to these credit services...

While many politicians think they are saving consumers from themselves by eliminating their access to services like payday loans, a George Washington University School of Business survey finds that 89 percent of payday loan consumers are “very satisfied” or “somewhat satisfied” with their last loan, and 86 percent see payday loans as a useful service.

[Trade group promises stricter scrutiny of payday loan ads](#) | **LA Times**

[3 Things Banks Should Do to Help Eliminate Payday Lending](#) | **HousingWire (Kelsey Ramirez)**

[Why High-Rate Installment Lenders Want Borrowers Who Will Default](#) | **National Consumer Law Center**

[Legal battles lead Mississippi-based check casher to close stores](#) | **Clarion Ledger**

[Payday, car title loans: There is a better way](#) | **Springfield News Leader (Rev. Dr. Daniel Chisholm, Rev. Robert Perry and Dr. Wayne Bartee)**

This article is an opinion column addressing concerns about where borrowers will go once payday lending no longer exists. The authors cite the ways in which payday loans make financial situations worse, and also outline some examples of alternatives, including a loan program run through a church.

[Payday lenders' sweetheart appointed head of banking](#) | **Lagniappe Weekly**

Earlier this month, Gov. Robert Bentley announced he would be appointing State Rep. Mike Hill as head of Alabama's Banking Department, the state agency charged with overseeing financial institutions such as banks, credit unions and private lenders...

[I]n early June, Hill and over a dozen of his Goat Hill colleagues were at a multimillion-dollar golf resort in North Carolina, being wined and dined on the dime of the Alabama Lenders' Association, a special-interest lobbying group representing big lenders from across the state. Now, just over a month later, Hill is the top state official tasked with regulating them.

[Payday Loans: How They Work, What They Cost](#) | Atlanta Journal Constitution

[Short-term loans shouldn't make finances even worse](#) / Las Vegas Sun (editorial)

[Trap lenders, not stressed Kentuckians](#) / Lexington Herald-Leader (editorial)

[A Victory in the Battle Against Payday Loan Scams](#) | AlterNet

[In Bill, Lawmakers Propose New Limits for Seizing Workers' Pay Over Old Debts](#) | Propublica  
[Pokémon Go's rules 'ripoff' players from going to court](#) | New York Daily News (Amanda Werner and Michael Fuller)

If you're playing Pokémon Go, you've already waived your right to sue if something goes wrong. What is likely to go wrong playing a cartoon augmented reality mobile game? Probably nothing.

What could go wrong? The game has been out less than a week and it's already been linked to security risks, an armed robbery, and a dead body. Pokémon Go's fine print also requires you to hold it harmless, and to pay its "reasonable legal and accounting fees" in any way connected to your use of Pokémon Go. Whatever that means.

[Gretchen Carlson's Fox News Contract Could Shroud Her Case in Secrecy](#) | NY Times

[Give Consumers a Day in Court: Challenge the Contracts](#) | LA Sentinel (Charlene Crowell)

[Credit Union Opposition to CFPB Arbitration is Baffling](#) | American Banker (Christine Hines and Sophia Huang)

[Banning Arbitration, a Boon for Lawyers, Not Consumers](#) | Forbes (Alfred Lechner)

See statement by [The Leadership Conference on Civil and Human Rights](#).

[More Unconstitutional Executive Branch Actions](#) | Cato Institute (Ilya Shapiro)

[Why Banks Are Making Apps for Noncustomers](#) | American Banker (Mary Wisniewski)

[Citibank, Small Financial Institutions Testing Surcharge-Free ATM Service](#) | American Banker

[CFPB Chief Cordray's Recess Appointment Actions Survive Suit](#) | Bloomberg News

## DERIVATIVES, COMMODITIES AND THE CFTC

[How Distributed Ledgers Impact Post-Trade in a Dodd-Frank World](#) | CoinDesk

[CFTC extends no-action relief to swap execution facilities and designated contract markets](#) | International Law Office

[Public Citizen Opposes Proposal to Give For-Profit Corporation Authority Over Markets](#) | Morning Consult

See [AFR letter](#) on the Commodity Future Trading Commission's proposed rule calling for derivatives position limits.

See [AFR statement](#) on proposed derivatives legislation.

## DODD-FRANK



[Bipartisan Poll Shows Overwhelming Support For Financial Regulation and The Work Of The CFPB](#) | Valuwalk

Ninety-six percent of Democrats and 89 percent of Republicans regard financial regulation as important, according to the survey, which was conducted in June by Lake [Research](#) Partners and Chesapeake Beach Consulting on behalf of **Americans for Financial Reform** and the Center for Responsible Lending.

See [press release](#), [summary](#), and [topline results](#) of AFR/CRL poll.

[Millennials Will Vote to Shake Up Wall Street. Right?](#) | Bloomberg

[Dems hail Dodd-Frank reforms on law's anniversary](#) | The Hill

Democrats on Thursday marked the sixth anniversary of the Dodd-Frank Wall Street Reform and Consumer Protection Act, arguing that the law was more important than ever. Defenders said the sweeping post-recession financial sector reforms are needed as a counterweight to global economic uncertainty and warned Republicans against rolling back the law.

[5 Things You Didn't Know About Dodd-Frank](#) | AFL-CIO

[GOP Platform Calls for Housing Finance Revamp, Scaling Back Dodd-Frank](#) | Wall St. Journal

[Fixing American Finance](#) | Wall St. Journal Editorial

[Oh, The Places You'll Go: Dodd-Frank Edition](#) | American Action Forum (Meghan Milloy)

[Dodd-Frank costs \\$112 per person, study finds](#) | The Hill

[Growth for all, bailouts for none: Opposing view](#) | USA Today (Jeb Hensarling)

[Where The Financial CHOICE Act Goes Wrong](#) | Forbes (J. W. Verret)

[Dodd-Frank Progress Report](#) | Davis Polk

See statement by [Secretary of Treasury Jack Lew](#) on Dodd Frank's sixth anniversary

See Allied Progress report, "[Hensarling's Revolving Door](#)." Also see [letter](#) from AFR and [statement](#) by Leadership Conference on Civil and Human Rights.

## THE ELECTION AND WALL STREET

[Tim Kaine Calls to Deregulate Banks as He Campaigns to be Clinton's VP](#) | Huffington Post

[Liberals lash out at Tim Kaine over banking letter](#) | Politico

A few days before Hillary Clinton is expected to unveil her running mate, a group of progressives are lashing out at Sen. Tim Kaine, widely seen as the frontrunner for the spot, over his support for loosening bank regulations.

The liberal groups are furious that Kaine, along with several other Democratic senators, signed a letter urging regulators to rethink how banking rules cover regional banks.

[Clinton VP Favorite Just Gave the Left Two More Reasons to Distrust Him](#) | New York Magazine

[Glass-Steagall: Wall Street is not happy with Donald Trump](#) | CNBC

A top advisor to presumptive GOP presidential nominee [Donald Trump](#) said on Monday that the party wants to [reimplement Glass-Steagall](#), Depression-era legislation that was designed to prevent big bank "supermarkets," but which was repealed in 1999.

After the surprise announcement, which came on the first day of the Republican National Convention, Wall Street sources sounded off on the idea that a Republican would reverse course on policies nearly 20 years old and now taken for granted by big banks.

One lawyer, who works with financial institutions on behalf of a white-shoe firm in New York, called the idea "scary." Even Wilbur Ross, one of the Trump campaign's biggest supporters from the finance industry, called it "surprising." Others on Wall Street who spoke to CNBC used stronger language that can't be printed.

[GOP Lawmakers Blindsided by Trump's Embrace of Glass-Steagall](#) | American Banker

[Republicans warming to Glass-Steagall as Wall St. earnings show little need for it](#) | Marketwatch (Steve Goldstein)

[Republicans' Scary Plan to Restore Glass-Steagall](#) | Bloomberg (Paula Dwyer)

[Don't Be Fooled By The Republicans' Call To Reinstate Glass-Steagall](#) | Think Progress

[Why is Glass-Steagall so politically popular and what does it really mean?](#) | Brookings (Aaron Klein)

[Wall Street Shuns Trump's Cleveland Convention](#) | Politico

[Big-Money Backers of Donald Trump in Disarray](#) | Bloomberg

[Trump Could Seek New Law to Purge Government of Obama Appointees](#) | NY Times

[Warren's No-Bankers Push Makes It Into Dem Platform](#) | Politico

[Democratic planks weak on Wall Street](#) | USA Today (Darrell Delamaide)

[Pence VP Pick Could Shape Trump's Banking Policy](#) | American Banker (Ian McKendry and Rob Blackwell)

See [Republican national platform](#) and [Democratic platform draft](#).

## **EXECUTIVE COMPENSATION**

[How Excessive Executive Pay Hurts Shareholders](#) | NY Times editorial

In theory, "pay for performance" — linking [executive pay](#) to a company's stock price — aligns the interests of executives and shareholders. It's supposed to ensure that executives are not tempted to enrich themselves at the expense of shareholders, who are too numerous and far-flung to influence a company's behavior.

In practice, it hasn't quite worked that way. Instead, beginning around the 1970s and becoming increasingly common since the leverage-buyout era of the '80s, the defining characteristic of pay for performance has been an explosion in chief executive pay that exceeds the value that any human being who isn't Midas could reasonably be credited with producing. In 2015, the

median pay package for chief executives at 200 large United States companies was almost \$20 million per year, nearly 400 times the pay of a typical worker.

[How the Carried Interest Loophole Makes the Super-Rich Super-Richer](#) | Bill Moyers

[He Made 'Carried Interest' Famous. Now He's Going to Help Write the Law](#) | Wall St. Journal

[New Corporate Government Principles](#) | Larry Fink, Jamie Dimond, Warren Buffet et al.

## ENFORCEMENT

[Bank Too Big to Jail](#) | NY Times (Gretchen Morgenson)

Have you ever wondered why the crippling 2008 financial crisis generated almost no criminal prosecutions of large banks and their top executives?

Then take a moment to read the congressional [report](#) issued on July 11 titled “Too Big to Jail.” Citing internal documents that the [United States Treasury](#) took three years to produce, the report shows how regulators and prosecutors turned a potential criminal prosecution of a large global bank — HSBC — into a watered-down settlement that insulated its executives and failed to take into account the full scope of the bank’s violations.

The report, prepared by the Republican staff of the House Financial Services Committee, does not examine a matter related to the mortgage crisis. Rather, it looks at the Department of Justice’s 2012 [settlement](#) with HSBC, the British banking behemoth, after accusations that it laundered nearly \$900 million for drug traffickers and processed transactions on behalf of Cuba, Iran, Libya, Sudan and Myanmar, or Burma, when those countries were subject to United States sanctions.

HSBC and its American subsidiary, HSBC Bank USA, agreed to pay almost \$2 billion under the settlement, striking a deferred prosecution arrangement that remains in place. Under such deals, the government agrees to delay or forgo prosecution of a company if it promises to change its behavior.

[Justice Department Overruled Recommendation to Pursue Charges Against HSBC, Report Says](#) | Wall St. Journal

[HSBC Bank Executives Face Charges in \\$3.5 Billion Currency Case](#) | NY Times

[Citigroup to Pay \\$7 Million Over Incomplete 'Blue Sheet' Data](#) | Wall St. Journal

[First U.S. Trader Convicted of 'Spoofing' Gets Three Years](#) | Wall St. Journal

[Raging Debate in Bitcoin-land: Should a Thief Get to Keep the Money?](#) | Wall St. Journal

[Ex-Barclays Banker Pleads Guilty to Passing Inside Information to Plumber](#) | Wall St. Journal

## THE FEDERAL RESERVE

[Democratic Party Platform Includes Call for Fed Changes](#) | Wall St. Journal

[Federal Reserve Reform](#) | Center for Capital Markets Competitiveness

[Don't Reform The Fed, Fed-Exit](#) | Town Hall (Ron Paul)

## HEDGE FUNDS AND PRIVATE EQUITY FUNDS

[Donald Trump Versus the American Worker](#) | Gawker (Hamilton Nolan)

Under the bright noontime sun today, a couple hundred workers from the Trump Taj Mahal casino gathered on 5th Avenue and 59th Street... [T]hey were there because just behind the Apple store sits the General Motors building, a skyscraper that houses the offices of their boss, Carl Icahn...

The average worker wage is a little over \$12 an hour. Carl Icahn's net worth is about [\\$17 billion](#), making him one of the 50 richest people in the world. A successful hedge fund manager and [corporate raider](#), he is famous for taking control of companies, sucking them dry, and leaving them bloated with debt as he walks away with a fortune.

[How Private Equity Found Power and Profit in State Capitols](#) | N.Y. Times

Since the 2008 financial crisis, Fortress and other private equity firms have rapidly expanded their influence, assuming a pervasive, if under-the-radar, role in daily American life, an investigation by The N.Y. Times has found. Sophisticated political maneuvering — including winning government contracts, shaping public policy and deploying former public officials to press their case — is central to this growth.

Yet even as private equity wields such influence in the halls of state capitols and in Washington, it faces little public awareness of its governmental activities, The Times found.

[A Stumble May Lead Puerto Rico Forward](#) | Bloomberg (Lisa Abromowitz)

[Puerto Rico's Rude Awakening](#) | N.Y. Times (Rafael Matos)

## HIGH SPEED TRADING AND FINANCIAL TRANSACTION TAX

### [Rep. DeFazio introduces financial transaction tax](#) | Pensions & Investments

“It’s too much revenue being left on the table for lawmakers to ignore any more,” said Lisa Gilbert, director of Public Citizen’s Congress Watch division, which along with the AFL-CIO, **Americans for Financial Reform**, Center for Economic and Policy Research, and Communications Workers of America, support the bill, which does not have co-sponsors yet.

### [New U.S. bill to tax financial trading brings campaign issue to the fore](#) | Reuters

The legislation is supported by Democratic Party stalwarts, including the AFL-CIO labor union federation, the **Americans for Financial Reform** coalition, the Communications Workers of America union, and advocacy group Public Citizen. The Center for Economic and Policy Research said it also backs the bill.

It will likely not get far. Republicans control both chambers of Congress, and most say that Wall Street regulation passed in the aftermath of the financial crisis has been overly restrictive. In addition, the Republican Party generally favors having fewer taxes.

### [Ordinary investors will not pay this tax – Wall Street will](#) | CEPR (Dean Baker)

While any individual trade can have a winner and a loser (someone benefits by buying low or alternatively by selling high), trading on net is largely a zero-sum game. This means that if investors save money by trading less, they will not be harmed by the tax and may well end up better off.

What is clear is that the financial industry will collect less revenue as a result of the tax. The Tax Policy Center’s assumption that trading volume falls by 25 percent more than the size of the tax means that if the tax were to raise \$40 billion a year, the financial industry would see a decline in revenue of \$50 billion a year, even assuming that the tax was fully passed on to investors.

Naturally this loss of revenue will make the industry unhappy, but from the standpoint of the economy it is a clear gain. If the volume of trading is not leading to a better allocation of capital, then eliminating excessive trading is simply eliminating waste.

### [Dem to offer bill to tax financial trades](#) | The Hill

### [A Very Broad Transaction Tax Might Have Merit](#) | Forbes (Peter Reilly)

### [Democrats Assail Wall Street With Plan That May Hit Mom and Pop](#) | Bloomberg

### [Bloomberg Asks Wall Street How It Feels About Taxing Wall Street](#) | Center for Economic and Policy Research

### [Dems Try To Impose Tax That Hurts American Retirees, Wall Street Fires Back](#) | Daily Caller (Robert Donachie)

[Clinton Aims Party's 'Wall Street' Tax at Flash Boys, Not Banks](#) | Bloomberg

[How a financial transactions tax could work](#) | Yahoo Finance (Michael Bright)

## **MORTGAGES AND HOUSING**

[Land Installment Contracts Threaten Communities of Color](#) | NCLC

Land contracts are marketed as an alternative path to homeownership but instead allow investors to avoid responsibility for property upkeep while churning successive would-be homeowners through a property they could not legally rent. Recently, NCLC conducted interviews with attorneys across the United States and found that land contract buyers were largely African-American, Latinos, and/or immigrants. The contracts are popular with investors because defaulting borrowers can be swiftly evicted as traditional mortgage foreclosure protections do not apply. Property owners also shift repair and maintenance costs to unsuspecting buyers who also make monthly payments in a transaction built to fail.

In 2009 (the most recent national data available), 3.5 million people were buying a home through a land contract, according to the U.S. Census. Yet the numbers may now be much higher. The report details how in recent years, large investment firms with private equity backing, some of whom profited from the subprime lending that fueled the 2008 foreclosure crisis, are using these toxic transactions to profit off of a backlog of foreclosed homes. Some of the bigger players include Harbour Portfolio Advisors, Apollo Global Management, and Shelter Growth Capital Partners. These private equity companies are pushing land contracts in states across the country, and especially in Florida, Georgia, Iowa, Minnesota, Michigan, Ohio, Pennsylvania, South Carolina, and Texas.

[Law Center Calls Seller-Financed Home Sales 'Toxic Transactions'](#) | NY Times (Alexandra Stevenson and Matthew Goldstein)

[New Foreclosure Law in NY Boosts Consumer Protection](#) | New York Law Journal

[How Banks Stole Homes From the Most Vulnerable New Yorkers](#) | The Nation (Michelle Chen)

[Men's homes more profitable than women's](#) | HousingWire

[Regulator sounds new alert on banks' property lending](#) | Financial Times

[Nonbank lenders surging in California mortgage market](#) | SF Chronicle

[Home Mortgage Lending in St. Louis, Milwaukee, Minneapolis and Surrounding Areas](#) | National Community Reinvestment Coalition

[Freddie Mac must face revived lawsuit over subprime exposure](#) | Reuters

[Reform of Fannie Mae and Freddie Mac is Long Overdue](#) | The Hill (Tom Shatz)

[Julián Castro defends recent DASP changes during House hearing](#) | HousingWire

## [Language question draws House scrutiny](#) | Scotsman Guide

See statements by [AFR](#), [National Consumer Law Center](#), and [Center for American Progress](#) on the FHA's proposed DASP Changes. Also see letter from [Leadership Conference on Civil and Human Rights](#).

## **INVESTOR PROTECTION AND THE SEC**

### [At SEC, Long To-Do List, Little Time](#) | Wall St. Journal (Andrew Ackerman)

Executive pay. Asset-management oversight. Corporate diversity. Mary Jo White still has a lot on her plate as she begins to wind down her tenure as Securities and Exchange Commission chairman, expected to conclude sometime in the next six months. Given the short time frame and the SEC's typically glacial rule-making pace, completing many of them will be difficult.

It doesn't necessarily help that the SEC is operating with depleted ranks: It's down to just three commissioners—two fewer than its full complement—and the agency's quorum rules give more power in such circumstance to the commissioners to delay or even block the chairman on rules they don't support.

### [As other regulators move past implementing Dodd-Frank, the SEC falls further behind](#) | The Hill (Andy Green and Tyler Gellasch)

### [Financial Capability in the United States 2016](#) | FINRA

### [U.S. SEC Takes Another Step Toward Tighter Swaps Regulation](#) | N.Y. Times

### [SEC Proposes Broker Scorecard for Investors](#) | Wall St. Journal

### [SEC Proposes Making Brokers Reveal Where Client Orders Go](#) | Bloomberg

### [SEC to vote Wednesday on rule changes for administrative proceedings](#) | Reuters

### [Many Fear Changes to U.S.'s SEC In-House Trials Are Not Enough](#) | Reuters

## **REGULATION IN GENERAL**

### [Why regulations were a convenient target at the GOP convention](#) | The Hill (Stuart Shapiro)

### [Regulatory system is 'rigged,' public interest group says](#) | The Hill

### [A Reminder That Regulation Protects Big Banks From Competition](#) | Washington Examiner (Timothy Carney)

[Memo to the Next President: Build a Regulatory System That Works for the People](#) | Coalition for Sensible Safeguards (James Goodwin)

[House passes bill to curb federal agencies' power](#) | The Hill

[Here's How Financial and Other Regulators Are Issuing Rules Without Writing Them](#) | Forbes (Clyde Crews)

## **RETIREMENT SECURITY & FIDUCIARY DUTY RULE**

[Ex-Morgan Stanley FAs Split to Offer Clients 'Full Transparency'](#) | Financial Advisor IQ

[Justice Backs DOL's Fiduciary Rule](#) | Financial Advisor IQ

[GOP funding bill would block financial adviser rule](#) | The Hill

## **STUDENT LOANS & FOR-PROFIT EDUCATION**

[Feds take action to protect student loan borrowers](#) | The Hill

[Justice Department is investigating whether a for-profit college company violated federal financial aid rules](#) | Washington Post

[For-Profit College Sector Continues to Shrink](#) | Inside Higher Ed

[Debt collectors still harassing former students over defunct for-profit college's fraudulent loans](#) | Raw Story (Cal Colgan)

[New debt rule could harm taxpayers and spur litigation](#) | The Hill (Phil Goldberg)

[Did your college mislead you about job prospects? It might become far easier to have your loans forgiven](#) | Washington Post

[Former student files class-action case over Corinthian student loan debt](#) | Associated Press

[Manhattan U.S. Attorney Announces Settlements Totaling \\$4.29 Million With For-Profit School And Its Former Chief Operating Officer](#) | US Attorney's Office, Southern District of New York

[The Scariest Student Loan Number](#) | The Atlantic (Derek Thompson)

[Elizabeth Warren and Senate Democrats press regulators to prevent another Trump U.](#) | Washington Post

[Afraid You'll Be Paying Off Student Loans Forever?](#) | Slate

[Why Those Millennials With Tons of Loans Won't Refinance](#) | Bloomberg

[This Army Veteran Wanted to Become a Video Game Animator – and got played by two for-profit colleges](#) | Slate

## **SYSTEMIC RISK**

[Time Short for Goldman, Morgan Stanley to Exit Billions in Funds](#) | Bloomberg

The banks have had plenty of warning, and they've had a good market to sell their holdings, said Marcus Stanley, policy director for **Americans for Financial Reform**. "They just kind of want to hit the snooze button again over and over with the Fed," Stanley said, and he says bank lobbyists have meanwhile been trying to talk Congress into helping them on Volcker compliance. "The regulators have to be prepared to say, 'Time's up.' "

The Fed has so far given banks as much of a leash as Dodd-Frank allowed, granting all three of the single-year extensions permitted in the law.

[Time of Reckoning for Goldman and Morgan Stanley](#) | ProFinance (Translated from Russian)

Marianne Lake, the CFO of JPMorgan - the largest US bank by assets - said the lender gradually reorganize its business to bring it into compliance with the Volcker rule in substance and in form. As of March 31, the bank's investments in private equity, hedge funds, real estate funds and other funds have reached \$1 billion. Banks received enough warnings, and they have to sell their assets, said Stanley Marcus, director of policy at the company's **Americans for Financial Reform**. "They just want to again postpone the solution of these problems." Lobbyists from banks meanwhile are trying to persuade Congress to help them with the Volcker rule. "Regulators need to be mentally prepared to say that time is up."

[Looking Deeper, Seeing More: A Multilayer Map of the Financial System](#) | Office of Financial Research

[The OFR Introduces Interactive U.S. Money Market Fund Monitor](#) | Office of Financial Research

['Direct' Repo Loans Gaining Traction as Banks Step Back](#) | Wall St. Journal

[From Occupy Protests to the Platforms](#) | Inequality.org (Akshat Tewary)

The Dodd-Frank Act contains various half-measures, like the Volcker Rule, living wills, and resolution authority, that seek to address the Too Big to Fail Problem. But the efficacy of these provisions is questionable. Virtually every aspect of Dodd-Frank has been challenged at the agency level, and much of the resultant regulation has been severely watered down and

delayed through bank lobbying. To make matters worse, various parts of Dodd-Frank have come under the Congressional chopping block since 2010 (and will continue to do so in the future).

While Dodd-Frank contains many important financial reforms, it adopts a Whack-a-Mole approach that puts regulatory band-aids over old problems, while doing little to address new problems. Only bold, systemic reform like Glass-Steagall can truly mitigate the risks posed by Too Big to Fail banks.

[The Secret History of Glass-Steagall](#) | Wall St. Journal

[Why is Glass-Steagall so politically popular and what does it really mean?](#) | Brookings (Aaron Klein)

[Attempt to 'Simplify' Basel May Add More Complexity](#) | American Banker (Hugh Carney)

[Lawmakers Demand FDIC Approve New Banks to Prevent Systemic Risk](#) | Wall St. Journal

[A Welcome Change from Wall Street Recklessness](#) | Public Citizen (Amanda Bragg)

[Blythe Masters Quits as Chairwoman of Santander Consumer USA](#) | Financial Times

[Big Banks Warn Tax Proposal on Internal Debt Could Make Industry 'More Fragile'](#) | Wall St. Journal

See joint event, “[Exploring Shadow Banking](#),” sponsored by AFR and the Center for American Progress.

## **“TAKE ON WALL STREET” CAMPAIGN**

[Six Years After Dodd–Frank, a Lot of What Occurs on Wall Street Is Nothing More Than Gambling](#) | AFL-CIO (Heather Slavkin Corzo)

We should celebrate Dodd–Frank’s great accomplishments. At the same time, we cannot allow it to be the end of the story on Wall Street reform. For all that Dodd–Frank accomplished, too-big-to-fail banks remain intact and Wall Street has not returned to its proper role as servant of the real economy.

That’s why working people in unions are joining together with progressive allies in a new campaign to “**Take on Wall Street...**”

Dodd–Frank represented an important first step toward reining in Wall Street excess but more work remains to be done. Six years after Dodd–Frank was passed, a lot of what happens on Wall Street is still nothing more than gambling. For our economy to thrive, we need Wall Street

to provide financing to businesses that create products and services that people want to buy and good, family-sustaining jobs. We must come together to fight for the next phase in Wall Street reform so that we can rein in the casino economy and restore a real economy that works for working people.

[Taj Mahal picketers head to Carl Icahn's Manhattan offices](#) | Philadelphia Business Journal

[Trump Taj Mahal Strikers Protest Icahn's Manhattan Office](#) | Common Dreams

[On the picket line](#) | Workers World

[Union strikes in New York City: Carl Icahn and Donald Trump take from the workers](#) | eTurboNews

[Working for a fair economy, fair deal](#) | Pensions&Investments (Randi Weingarten)

And as part of **Take On Wall Street**, a campaign launched by 20 national organizations, including the AFT, we're working to reform financial markets by, among other things, closing the carried interest loophole that means some Wall Street moguls pay a lower tax rate than firefighters, nurses and teachers. We've been demonized and scapegoated for our efforts.

## TRADE

[Senior Republicans call on White House to explore trade pact with U.K.](#) | Politico

[Washington trade official reveals early talks on UK trade deal](#) | Financial Times

[Bernie Sanders Allies Lose a Fight Over Democrats' Stance on Trade](#) | N.Y. Times

[GOP Platform Panel Strikes References to TPP](#) | Politico

[Wall Street Groups Throw Support Behind Pacific Trade Deal](#) | The Hill

[On Trade, Trump Takes Republicans Back to Their Roots](#) | Bloomberg (Stephen Mihm)

## OTHER TOPICS

[Financial System Imposes 'Overcharge' of at Least \\$40,000 on Every Citizen](#) | Real News Network (Interview, Gerald Epstein)

“So what do we do? Well one thing is yes, there was this Dodd-Frank law that was passed, and now the Republicans and friendly Democrats are trying to completely gut it. So the first thing that has to be done is to protect the Dodd-Frank law. **Americans for Financial Reform** and other groups are out there trying to do it. But as you suggested, that's not enough. The second thing is to impose stronger regulations, like what Bernie Sanders and Elizabeth Warren have

called for. A new Glass-Steagall Act to separate out speculative banking from banking that helps Main Street, and not let the speculative banking have access to the support of the taxpayer. So that's another thing. But I don't think either of those things are going to be enough, but they're both important.”

See Roosevelt Institute report, [Overcharged: The High Cost of Finance](#)

[Anger at JPMorgan's 'unhelpful' Brexit warnings](#) | Financial Times

[With Competition in Tatters, the Rip of Inequality Widens](#) | NY Times

[Interim Staff Report: Investigation of FDIC's Cybersecurity](#) | House Science, Space, and Technology Committee

[FDIC chief damages effort at damage control](#) | Washington Post (Joe Davidson)

[Banking Panel Republican Says He Can Work With Sherrod Brown](#) | The Hill

The next top Republican on the Senate Banking Committee said Wednesday he expects plenty of progress in 2017 after a sluggish two years under its current chairman. Sen. [Mike Crapo](#) (R-Idaho), is expected to be either the chairman or ranking member of the committee in the next session of Congress, depending on which party controls the Senate. Current chairman Sen. Richard Shelby (R-Ala.) is term-limited out of the position by GOP rules.

Crapo had high praise for his likely foil, Sen. [Sherrod Brown](#) (D-Ohio), after the progressive firebrand on Tuesday called him "[straightforward and honorable](#)" despite their political differences.

[Brown: Expect More from Banking Panel in 2017](#) | The Hill