Americans for Financial Reform Education Fund

This Week in Wall Street Reform |Feb 10- Feb15

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TABLE OF CONTENTS

CONSUMER FINANCE AND THE CFPB

Conservative Foundations Finance Push to Kill the CFPB | Center for Media and Democracy

On March 3, the Supreme Court will hear oral arguments in a case challenging the constitutionality of the Consumer Financial Protection Bureau (CFPB), an agency created in the wake of the 2008 financial crisis to protect consumers against the kinds of predatory financial practices that led to the crash. Since before its founding, conservatives attacked the idea of shielding Americans from exploitation by large financial institutions, claiming increased regulations would hurt the industry.

Until the Trump administration hobbled the agency, it was quite successful, having delivered billions of dollars in financial relief to consumers. Meanwhile, large financial companies didn't seem to notice, continuing to grow throughout the last decade.

A constellation of conservative groups has filed amicus briefs backing the plaintiff in Seila Law LLC v. Consumer Financial Protection Bureau. Many of these groups are funded by foundations in the right-wing philanthropic network of billionaire libertarian Charles Koch, a network that has fought the agency for years.

Fox in the Henhouse: Koch-Backed Opponent of Consumer Financial Protection Bureau Chairs Taskforce to Evaluate Its Regulations | Center for Media and Democracy

When the the Consumer Financial Protection Bureau (CFPB) announced on the membership of its "Taskforce on Federal Consumer Financial Law," on January 9, critics called foul and charged the group with a pro-industry, anti-consumer bias.

Ed Mierzwinski, senior director of the consumer watchdog U.S. PIRG's federal consumer program, called the taskforce a "farce." "To my knowledge, none [of the appointees] have worked for consumer protection organizations yet all have worked as industry lawyers or consultants or been publicly aligned with industry views," Mierzwinski said.

Most notably, the taskforce is chaired by Todd J. Zywicki, a Koch-backed academic who was reported to be in the running to direct the CFPB and once called the bureau a "tragic failure." Zywicki is Professor of Law at George Mason University's Antonin Scalia Law School, Senior Fellow of the Cato Institute, and Senior Fellow at the Mercatus Center at George Mason University.

The stated purpose of the taskforce is to review and "harmonize" financial laws and regulations, and to report back its findings to CFPB's Director Kathleen Kraninger.

Center for Media and Democracy tweeted: NEW: "Right-wing funders have given nearly $69 million to 11 groups that submitted Supreme Court amicus briefs in support of eliminating the Consumer Financial Protection Board, a key reform enacted in the wake of the Great Recession." #KochExposed

Take Action: National Call-in Day for the Veterans and Consumer Fair Credit Act | Americans for Financial Reform

The Veterans and Consumers Fair Credit Act is a bipartisan bill that extends the Military Lending Act's usury protections to veterans and all consumers by capping interest rates at 36%. According to a recent Morning Consult poll, 70% of the public supports this measure, regardless of political affiliation, but payday lenders are mobilizing their resources and working hard to stop this legislation.

We need everyone's help to make sure the voice of average people is louder than the voice of payday lenders. Join us and tell your Representative you support interest rate caps, ending predatory lending and ask them to vote for HR5050, the Veterans and Consumers Fair Credit Act. Click here to find contact information for your Congressperson.

Diversity and inclusion: holding America's large banks accountable | U.S. House Financial Services Committee

Banks and other financial services firms claim to agree with the underlying premise that diverse, inclusive organizations can be more profitable and productive. But despite the known benefits, the financial services industry, including our nation's banks, remains mostly white and male. This is not only true of banks' workforces and executive ranks, but is also true for banks' boards of directors, suppliers, and asset managers.

There is little relevant data in this space because banks and other financial services firms do not fully disclose their diversity and inclusion data or policies. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) created the Offices of Minority and Women Inclusion (OMWI) in part to begin to hold industry accountable for diversity and inclusion. Despite this explicit authority, the prudential regulators, including the Federal Reserve Board of Governors, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC), issued guidance (known as the Joint Standards) that permits banks and other institutions to comply with the OMWIs' requests for diversity and inclusion data voluntarily. Since the adoption of the Joint Standards, banks have only marginally participated in requests from the OMWIs. Further, the little data that is collected is not publicly available.

U.S. household debt tops $14 trillion and reaches new record | Reuters

American households added $193 billion of debt in the fourth quarter, driven by a surge in mortgage loans, and overall debt levels rose to a new record at $14.15 trillion, the Federal Reserve Bank of New York said on Tuesday.

Mortgage balances rose by $120 billion in the fourth quarter to $9.56 trillion, the New York Fed said in its quarterly report on household debt. Mortgage originations - pushed up by an increase in refinancing - also rose to $752 billion in the fourth quarter, reaching the highest volume since the fourth quarter of 2005, the report found.

Student loan balances grew by $10 billion in the fourth quarter, a slower pace when compared to five years ago. However, the total $1.51 trillion outstanding in student loan debt could be holding back young consumers trying to build up credit, the researchers found.

6 statehouse issues on bankers' radar | American Banker

With a presidential election looming and trade issues top of mind, bankers could almost forget that a new year also means a host of local proposals that might help — or hurt — large swaths of the industry.

But national and state banking groups said they have a number of state-level issues in their sights: consumer data privacy protections, rent control and prize-linked savings to name a few.

In some cases, they're eyeing measures aimed at improving access to financial services or affordable housing. In other cases, they may be concerned with proposals included in governors' budgets. And in still other cases, they may be watching other states take their cues from California when it comes to data privacy or other consumer matters.

Here is a look at a half dozen of the state-level issues bankers are watching this year.

Trump to Payday Lenders: Let's Rip America Off Again | Mother Jones

When South Dakotans voted 3–to–1 to ban payday loans, they must have hoped it would stick. Interest on the predatory cash advances averaged an eye-popping 652 percent—borrow a dollar, owe $6.50—until the state axed them in 2016, capping rates at a fraction of that in a decisive referendum.

Donald Trump's finance czars had another idea. In November, the Federal Deposit Insurance Corporation (along with the even more obscure Office of the Comptroller of the Currency) floated a permanent loophole for payday lenders that would essentially make the South Dakota law, and many others, moot—they could launder their loans through out-of-state banks, which aren't subject to state caps on interest. Payday lenders arrange the loans, the banks issue them, and the payday lenders buy them back.

Stop payday lenders' Rent-a-bank schemes! | National Consumer Law Center

Payday lenders are starting to make usurious loans up to 160% in states where those rates are illegal by using banks, which are not subject to state rate caps, as a fig leaf. Banks have little to do with the loans, which they immediately sell. Bank regulators shut down these schemes in the early 2000s, but two state-chartered banks, FinWise Bank and Republic Bank and Trust, both regulated by the FDIC, are again helping payday lenders evade the law in 28 states & DC.

BankThink Dear Congress: Do away with the rent-a-bank ruse | American Banker

The current push by payday lenders to try to outflank state laws is but one reason Congress needs to act on a new proposal that would cap interest rates at 36%.

Modern payday lenders — offering the high-interest credit that has been called today's "loan sharking" and that started in the 1990s — are finding ways to circumvent state laws that prohibit or restrict exorbitant interest rates, sometimes more than outstripping 500%.

Payday lender contrivances take many forms, but one particular device merits attention because it's spreading.

It's called rent-a-bank, or charter renting. Federal laws on banks, which take deposits, subject them only to the usury law of the state in which the bank is based. But the bank can ignore the interest rate limit that another state may enact.

Fintech has finally cracked the US banking sector | Quartz

Varo Money is poised to become a full-fledged bank, making it the first of a new wave of fintech upstarts to win that approval in the US. The company's long and expensive journey through a thick barrier of regulation is a reason why America's banks have repelled the tech disruption sweeping through other industries.

The five-year-old mobile bank got approval from the Federal Deposit Insurance Corporation (FDIC) to receive deposit insurance, according to a statement yesterday. That brings the San Francisco-based company a step closer to a national banking charter, which will allow it to hold deposits itself instead of relying on a partner, to make loans in all 50 US states, and to offer credit cards.

California governor to fintechs: Forget Utah. Be an ILC here | American Banker

New details are emerging regarding Gov. Gavin Newsom's far-reaching plan to overhaul financial regulation in California, including one provision that could help the state to retain some of Silicon Valley's many fintech companies.

The first-term governor wants to expand the powers of the existing state financial regulator in ways that mirror congressional Democrats' original vision for the Consumer Financial Protection Bureau. His proposal also represents an effort to enable fintech firms to engage in more dialogue with state officials.

Those twin goals have gotten substantial attention since the proposal was unveiled last month. They are reflected in the agency's proposed new name — the California Department of Financial Protection and Innovation.

Four Members of China's Military Indicted Over Massive Equifax Breach | The Wall Street Journal

Four members of China's military have been indicted by the U.S. government on charges of hacking into Equifax Inc. and plundering sensitive data on nearly 150 million Americans as part of a massive heist that officials said also stole trade secrets from the credit-reporting agency.

In an escalation of U.S. efforts to counter China's alleged attempts to use cyber theft and other means of technology acquisition to become the world's dominant economic power, a federal grand jury in Atlanta returned a nine-count indictment made public Monday against the four Chinese nationals working for the People's Liberation Army. They are accused of conspiring to steal reams of data as part of a sophisticated hacking operation that exploited a major vulnerability in the software used by Equifax's online dispute portal.

The charges for the 2017 breach came as the U.S. and China remain locked in negotiations over trade after recently hammering out the first phase of an agreement. In brief remarks on Monday, Attorney General William Barr sought to distinguish the alleged Equifax theft from accepted intelligence gathering that governments conduct.

INVESTOR PROTECTION, SEC, CAPITAL MARKETS

SEC Budget Would Rise 5.6% to $1.9B Under Trump's Fy21 Plan | Bloomberg

President Trump's FY21 budget proposal calls to increase SEC funding 5.6% to $1.9 billion

SEC Seeks to Curb Shareholder Resolutions | The Wall Street Journal

It is a yearly ritual for American corporations: executives of Fortune 500 companies appearing at shareholder meetings to answer investors' concerns about everything from board membership to climate-change policies.

Now the Securities and Exchange Commission wants to make it harder for small shareholders to get resolutions onto company ballots, known as proxies. It says responding to resolutions can pose an undue burden on companies, costing tens of thousands of dollars apiece for research, and printing and mailing of ballots.

The move has sparked a lively debate over the limits of shareholder democracy. Critics say the proposal would make it harder for regular investors to hold executives accountable. Advocates say that current rules are lax, opening the door to a multitude of resolutions, and that small shareholders have other ways of exerting influence, including through social media.

PRIVATE FUNDS

United for Respect tweeted: Wall Street billionaires are buying our democracy.
@joshGottheimer & @RepGregoryMeeks
raised $100K from @kkr_co instead of defending working families against private equity.
☎️Call 833-572-0226☎️ to demand they return the money immediately.
#StopWallStreetLooting

Harvard's Lerner: No, Private Equity Is Not the Devil | Poets & Quants

Over the last few years, private equity has become a political target. Progressive firebrand and presidential candidate Sen. Elizabeth Warren (D-Mass) actually introduced the "Stop Wall Street Looting Act" to rein in private equity, among other things.

In the 2012 presidential campaign, President Barack Obama attacked former Massachusetts Gov. Mitt Romney as a cold-blooded job killer during his tenure at private equity firm Bain Capital.

But recently, Poets&Quants' Professor of the Week, Josh Lerner of the Harvard Business School, and several co-authors conducted the most comprehensive study to date of thousands of private equity buyouts going back more than 30 years.

The Latest Member of an Athlete's Entourage? A Private-Equity Guru | The Wall Street Journal

Indiana Pacers guard Victor Oladipo was recovering from a ruptured quad tendon last year when he met with a banker from an investment firm at a workout.

Before long, Mr. Oladipo—whose injury pushed him to ponder his financial future—was also part of a new team, at Patricof Co., which helps athletes find potential private-equity investments.

"I realized that I needed to start taking the necessary steps to make sure that life after basketball is still comfortable," Mr. Oladipo said.

Flush with cash from rising salaries and lucrative endorsement deals, athletes are looking for opportunities to invest their money. Investment firms, in turn, are working to connect them with private-equity deals they might not otherwise find or have access to, across industries as varied as organic food, tech, entertainment and real estate.

Fact Sheet: Private Equity-Owned Payday Lenders Profit Off Trapping People in Debt | Americans for Financial Reform Ed Fund

Private equity has pushed into the high-priced consumer loan industry, offering payday and other consumer loans that profit off trapping borrowers in a cycle of debt. Private equity firms own over 5,000 storefront payday and online lenders that often make loans at 300% annual percentage rates (APR) and higher. You can find a link to the fact sheet here or embedded below.

Fact Sheet: Private Equity Overstates Returns, Downplays Risks | Americans for Financial Reform Ed Fund

The private equity industry promotes itself as serving the investing public — including union and other pension funds — by providing reliably superior returns than the stock market. But the reality is that PE investments are not necessarily better performers, their promises too often rely on misleading numbers, and they can pose serious risks for investors — including high fees, lower transparency, and higher risks associated with extreme levels of leverage. You can find a link to the fact sheet pdf here or embedded below.

Many Private Equity-Backed Grocery Chains Buckle Under Debt and Pricing Pressure | The Wall Street Journal

The new world of online grocery sales and ultra-low-cost food staples is proving to be perilous for private-equity firms.

Three grocery chains have filed for bankruptcy within the first month of this year, and two of them are owned by private-equity firms: New York specialty grocer Fairway Market and North Carolina natural-goods market Earth Fare Inc.

Private-equity funds have for decades been lured by the grocery sector's steady cash flows and historical resilience in economic downturns. But the debt-related struggles of so many private equity-owned grocery stores suggest new challenges in adapting to intense competition from the likes of Walmart Stores Inc. and Amazon.com Inc., which are trying to expand their grocery sales and taking the fight online.

Newspaper giant McClatchy files for bankruptcy, hobbled by debt and declining print revenue | The Washington Post

McClatchy, one of the nation's largest newspaper publishers, filed for bankruptcy protection Thursday, another harbinger of America's deepening local-news crisis.

The Chapter 11 filing will allow the Sacramento-based company to keep its 30 newspapers afloat while it reorganizes more than $700 million in debt, 60 percent of which would be eliminated. If the plan wins court approval, control of the 163-year-old family publisher would be turned over to hedge fund Chatham Asset Management, its largest creditor. The company has obtained $50 million in financing from Encina Business Credit to maintain operations while it undergoes bankruptcy proceedings.

McClatchy's filing foreshadows further cost-cutting and retrenchment for one of the biggest players in local journalism, at a time when most U.S. newsrooms already are straining to cover their communities amid declining ad revenue and dwindling resources. Twenty percent of all U.S. newspapers have closed since 2004, according to a recent report from PEN America, and the sector has shed 47 percent of its jobs.

Private equity firms in Congress' crosshairs with legislation calling for transparency | Fierce Health Care

Private equity firms that have been gobbling up physician practices should watch out for congressional efforts to rein them in.

The House Ways and Means Committee advanced a bill Wednesday to force private equity firms that own physician practices to provide the federal government with information on payments and real estate investments. The legislation is the latest bid by lawmakers to scrutinize such firms that critics have said are a driving force behind surprise medical bills.

The bill would require private equity owners that have a controlling stake in a medical provider to file information with the Internal Revenue Service on Medicare payments and the mortgage and rent payments the firms get from providers.

“Transparency is imperative to better understand how this part of the market affects our healthcare system,” said Rep. Richard Neal, D-Massachusetts, chairman of the House Ways and Means Committee, during a markup of the legislation Wednesday.

Private equity firms have been acquiring physician practices at a blistering rate. Democrats are also concerned about reports that private equity-owned provider groups have been major culprits of foisting surprise medical bills on patients and driving up costs.

House committee advances provider-friendly surprise billing fix | Modern Healthcare

The House Ways & Means Committee on Wednesday advanced a bill that would ban balance billing using an arbitration process favored by hospitals and specialty physician groups but opposed by insurers, employers and labor unions.

The Ways & Means Committee is the last of three House panels with jurisdiction over surprise billing to mark up legislation addressing the issue, which lawmakers are aiming to resolve before a deadline to fund expiring Medicare and Medicaid programs on May 22.

The other two House committees and the primary Senate committee responsible for the issue have coalesced around a different approach that blends a benchmark payment rate and a more limited arbitration process.

Private Equity Surge Raises Apprehensions in Senior Housing Industry | Senior Housing News

Private equity investment in senior housing has gained momentum over the last several years and could reach new heights in 2020 — which might spell trouble for the industry down the road.

Specifically, some private equity funds may be coming to the space for the first time with unrealistic expectations, which could result in a variety of unwelcome outcomes. In one scenario already playing out in some instances, PE owners are pressuring operators to drive short-term results at the expense of long-term viability, in order to generate returns on tight timelines that are standard in other types of PE real estate investment.

The Trillion Dollar Question: Can Cities Safely Navigate the World of Private Investment? | Next City

In 2008, then-Chicago Mayor Richard M. Daley, famous for privatizing public infrastructure in order to secure short-term revenue sources, made the worst deal of his career. He leased 75 years of parking meter revenues to an investor group that included Morgan Stanley and the Abu Dhabi Investment Authority in exchange for a $1.15 billion upfront payment.

The Windy City spent that money in just three years as it sought to plug municipal budget holes during the throes of the Great Recession. However, under the terms of the deal, the city is on the hook for the “full value” of the parking revenue. If the parking authority doesn’t increase street parking rates in line with inflation or if the city suspends meters for a Cubs victory parade, then the city owes the difference to that investor group.

L Brands nears deal to sell Victoria's Secret to private equity group: report | Market Watch

L Brands LB, +1.40% is close to a deal to sell Victoria's Secret to private equity company Sycamore Partners, CNBC reported Sunday night. A price was not reported, but CNBC said the deal could be announced this week. The Wall Street Journal reported in January that L Brands was considering selling the Victoria's Secret brand, as well as Chief Executive Lex Wexner stepping down from his role. CNBC said it was unclear what Wexner's role, if any, would have after the deal. L Brands shares are down 11% year to date, compared to the S&P 500's SPX, -0.02% 23% gain.

US must dial down the fizz in the opaque world of private capital | Financial Times

Goldman Private-Equity Push Takes a Hit | The Wall Street Journal

The two heads of Goldman Sachs Group Inc.’s GS -0.87% flagship private-investing business quit Friday, the latest senior departures at the Wall Street firm and ones that threaten to undermine a big fundraising push.

Sumit Rajpal and Andrew Wolff jointly ran Goldman’s $100 billion-plus merchant bank, which invests the firm’s money and that of clients into deals. They were elevated last spring to help spearhead a big fundraising push, which aims to bring in another $100 billion over the next five years.

Both men were set to hit the fundraising trail later this month for the first plank, a planned $8 billion corporate-buyout fund, people familiar with the matter said. That effort will continue under fundraising chief Michael Koester, though executives are likely to face tough questions from investors about turnover at the top.

The resignations are a setback for Chief Executive David Solomon’s plans to compete head-to-head in private equity with giants like Blackstone Group Inc. BX 0.94% Seizing on growth in private markets, Mr. Solomon has combined disparate investing groups across the firm into a $320 billion colossus in buyouts, hedge funds, real estate and debt.

Private Equity Firms Investing in HVAC Contractor Consolidation | ACHR NEWS

When private equity (PE) professionals look at HVAC contractors, they see a field ripe for consolidation. There are thousands of independent firms operating across the nation — strong companies that PE professionals believe would benefit from the resources of a regional or even national presence. They also see a business segment valued at around $20 billion that is fairly recession resistant. As a result, there are several HVAC firms growing today by acquiring established HVAC contractors using money from private equity firms.

Alpine Investors, a middle-market private equity firm, recently launched a new platform for HVAC contractors called Apex Service Partners. The goal is to partner with service providers to build a national platform. Alpine Vice President Daniel Cohen said the platform matches the contractors' established performance with Alpine's access to capital.

MORTGAGES AND HOUSING

Proposed Changes To CRA Puts Billions In Lending At Risk Each Year | NCRC

Nearly $3 trillion in home and small business loans from banks went to low- and moderate-income (LMI) borrowers and communities over the last decade. Proposed changes to the Community Reinvestment Act (CRA), which requires banks to make loans in all of the communities where they take deposits, including poor ones, could significantly decrease this lending, putting at risk billions in lending each year nationwide.

An NCRC analysis of lending data reported by banks showed banks issued more than $2.2 trillion in home loans and more than $564 billion small business loans to LMI borrowers and communities from 2009 through 2018.

House Financial Services Committee hearing on Monetary Policy and the State of the Economy, sked FINAL | House Financial Services Committee Hearing on Monetary Policy and State of The Economy

WATERS: The committee will come to order. Without objection, the chair is authorized to declare a recess of the committee at any time.

This hearing is entitled, "Monetary Policy and the State of the Economy."

I now recognize myself for four minutes to give an opening statement.

I'd like to welcome back Chairman Powell.

As I discussed earlier, and at our last hearing with you, I remain very concerned about the president's efforts to interfere with the Fed's independent monetary policy. A recent news story noted that Trump has tweeted over 100 times about the Fed since your nomination. Many of those tweets appear to be attempting to exercise pressure on the Fed.

SMALL-BUSINESS LENDING

Main Street Alliance Tweeted: Be on the look out for predatory lending masquerading as a legitimate bank! Our Executive Director Amanda Ballantyne explains why #smallbiz are at risk with the new rule, and what the @FDICgov should do about it:@NCLC4consumers #StopTheDebtTrap #RentABank

NCLC Tweeted: The #smallbiz on #MainSt need strong protections from predatory lenders seeking to exploit the "ups and downs" so many experience — not a green light to issue loans at rates befitting a loan shark. @mainstreetweets #StopTheDebtTrap

NCLC Tweeted: Small businesses may become besieged by a new wave of predatory #RentaBank lending as a result of a new rule proposed by the @FDICgov & @USOCC. Learn more from @mainstreetweets @MorningConsult #StopTheDebtTrap

New FDIC, OCC Proposal Puts Small Businesses in the Path of Loan Sharks | Morning Consult

Small businesses may become besieged by a new wave of predatory "rent-a-bank" lending as a result of a new rule proposed by the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency. The OCC and FDIC's direct support for a predatory lender that targets the owners of small businesses and jeopardizes their homes shows that these are not just "Chicken Little" claims.

Predatory lenders are saddling small business owners and their customers with usurious loans at astonishing rates of interest in states where those rates are illegal by laundering the loans through banks, which are not subject to state rate caps. While these predatory rent-a-bank schemes are growing, the FDIC and OCC have not only failed to police their banks, they are supporting a predatory lender in court.

SYSTEMIC RISK

Warren criticizes Fed's 'troubling proposal' to limit key supervisory tool | Politico

Sen. Elizabeth Warren (D-Mass.) is expressing worry about the Federal Reserve's plan to loosen oversight of banks, arguing that it would "severely undermine the effectiveness of its examination program."

In a speech last month, Fed regulatory chief Randal Quarles suggested that the central bank would shrink the scope of supervisory concerns that would rise to the level of a "matter requiring attention," a type of formal criticism that can affect a bank's supervisory rating or lead to an enforcement action.

What Wall Street Really Means When It Talks About "Climate Risk" | The Republic

In Kim Stanley Robinson's recent climate change novel, New York 2140, New York City has been devastated by rising seas: The Atlantic Ocean has inundated Brooklyn and Queens, and lower Manhattan now lies in the shallows at high tide. Downtown real estate has become physically unstable and economically volatile. But as new construction technologies stabilize some structures, residents priced out of the dry quarters uptown are moving back to the soggy old neighborhood. A hedge-fund manager named Franklin, a main character, has developed a successful index to evaluate the investment risk of "intertidal" real estate, the cheap but unstable property on the flood-ravaged coasts.

It's a brilliantly conceived vision of one likely outcome of the climate crisis: an Armageddon, but not for everyone. What if New York dies, but Wall Street survives? What if the ravages of climate change amount, for some, to just another bet?

TAXES

Here's One Tax Every Candidate Ought to Back | Bloomberg

This week's release of President Donald Trump's budget, with its draconian cuts to the social safety net and unrealistic projections of future growth, has again shined a light on our fiscal challenges. The U.S. clearly needs additional tax revenue to fund vital programs and investments that underlie future economic growth. As no single tax instrument, by itself, is likely to suffice, a number of incremental measures will be required. In this spirit, three Democratic presidential candidates have proposed a financial transaction tax (FTT) to help fund their proposed investments in health care, education, and infrastructure. If properly designed, an FTT would raise substantial revenue, in a progressive fashion, without impeding price discovery or the efficient allocation of capital.

Why Today's Congressional Hearing on "The Disappearing Corporate Income Tax" Is Imperative | Institute on Taxation and Economic Policy

The United States is collecting a historically low level of tax revenue from corporations. In 2018, corporate tax revenue as a share of gross domestic product (the nation's economic output) dipped to 1 percent and reached just 1.1 percent in 2019.

The only other times in the last 40 years that tax collections were this low was in 2009, as a result of the recession, and in 1983 after President Reagan's expansive tax cuts, which he partly reversed with the Tax Reform Act of 1986 and other laws that raised revenue.

Falling corporate tax collections are partly a result of the Trump-GOP tax law, which cut the official corporate income tax rate from 35 percent to 21 percent, and loopholes that allow many corporations to avoid paying even that much. A recent study from ITEP highlighted the rampant corporate tax avoidance during 2018, the first year the GOP-Trump tax law was in effect.

Big Philly landlord to cash in on some holdings, as 'opportunity zone' designation boosts values | The Philadelphia Inquirer

Nicoletti has put on the market nearly a quarter of the roughly two million square feet of commercial property owned in the city by his family's Philadelphia Suburban Development Corp., more than half of it in areas designated as opportunity zones.

The opportunity zone incentive, which enables investors in selected areas to earn potentially big savings on their taxes, has boosted some of his property values to the point where selling made sense, he said.

ELECTIONS, MONEY, AND POLITICS

Anand Giridharadas tweeted: This is appalling and disqualifying. In resurfaced footage being reported tonight by the @AP, @MikeBloomberg describes redlining as a rational and prudent tactic -- and blames the end of that discriminatory practice against African-Americans for the 2008 crisis.

Let's Talk About That Time Mike Bloomberg Blamed Congress for the Financial Crisis | Slate

Michael Bloomberg, who is now officially running for president, has always presented himself as a moderate, data-driven problem solver, a guy far less interested in ideology than numbers and results. To see how that image doesn't always mesh with reality, though, it's useful to revisit some of his more notorious comments about what brought on the Great Recession.

One morning back in 2011, Bloomberg appeared at a breakfast event where he was asked to weigh in on the Occupy Wall Street protests, which were then still at their anarchic peak. The mayor, who had made his fortune selling expensive information terminals to financial firms and was generally a booster of New York’s banking industry, proceeded to explain that he thought the demonstrators were blaming the wrong guys in suits.