This Week in Wall Street Reform |Feb 23- Feb 29

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TABLE OF CONTENTS

CONSUMER FINANCE AND THE CFPB

Zombie debt: CFPB proposal could trick consumers into bringing dead debts back to life | The Washington Post

A proposal from the Consumer Financial Protection Bureau could spark a fight about what should happen to consumers' old debt.

Debt collectors lose the right in many states to sue consumers after their debt reaches its statute of limitations, typically three or more years. But there's a loophole: If the consumer makes a payment or acknowledges the debt in writing, that can be used to try to revive the life of the debt, creating what some consumer advocates call "zombie debt."

The CFPB estimates millions of consumers are contacted about such time-barred debt every year. In a new proposal, the bureau says debt collectors could continue to try to collect on those old debts but would have to tell consumers upfront they are outside their statutes of limitations and the consumer can no longer be sued to recoup the money.

Zombie Debt | Scripps National News

Debt collectors can keep going after you for years to pay up, but the rules on how they can do it could be changing. The Americans for Financial Reform explain their concerns.

News Release: CFPB Fails to Protect Consumers from Abusive Collection of Time-Barred Debt (Again) | AFREF and NCLC

The Consumer Financial Protection Bureau (CFPB) released a proposed debt collection rule late last Friday to supplement the proposed debt collection rule it released in May.

The supplemental rule states that debt collectors must provide consumers with specific disclosures when collecting debt that is beyond the statute of limitations (time-barred debt).

“To truly protect consumers,” said Linda Jun, senior policy counsel at Americans for Financial Reform Education Fund, “the CFPB should ban collection of time-barred debt in and out of court because these debts are so old that records are lost, the collector may have the wrong person or wrong amount, and the debt cannot be collected without mistakes or deception.”

CFPB's Kraninger says QM proposal, remittance rule will be out by May | American Banker

The Consumer Financial Protection Bureau will issue both proposed changes to the “qualified mortgage” rule and a final regulation revising policy on remittances no later than May, the agency’s director said Tuesday.

CFPB Director Kathy Kraninger said both steps will come as part of an ongoing review of agency rules, and show her "commitment under the law to be effective and evidence based” to provide clarity to stakeholders.

The agency's QM regulation requires lenders to verify borrowers' ability to repay and includes protection for a category of loans with certain safe features, including a 43% debt-to-income limit.

CFPB's Structure Still Likely To Give Way In High Court Fight | Law 360

With just one week until the U.S. Supreme Court hears debate on the constitutionality of the Consumer Financial Protection Bureau's leadership structure, financial services attorneys say the case for leaving the agency's single-director design alone has been given a boost in briefing but is still a long shot.

Attorneys who spoke to Law360 offered praise for the work that Kirkland & Ellis LLP partner Paul Clement has done defending the agency as court-appointed advocate in Seila Law v. CFPB, which asks whether it's constitutionally acceptable for the Dodd-Frank Act to limit the president's ability to fire the head of the CFPB.

ENFORCEMENT

For Wells Fargo and former execs, $3B fine may not be the end | Reuters

Reuters' Chris Prentice: "Although Wells Fargo & Co settled major probes with federal agencies over abusive sales practices last week, the bank and its former executives are not out of the woods yet, legal and regulatory experts said. ...

"However, the deal did not address issues with Wells' mortgage and auto-lending businesses, where customers were enrolled in unwanted products that charged fees. Nor does it preclude potential charges against individuals who were in charge at the time of sales abuses."

INVESTOR PROTECTION, SEC, CAPITAL MARKETS

Supreme Court Ruling Opens Door for More 401(k) Suits | The Wall Street Journal

A Supreme Court decision Wednesday in a case against Intel Corp. alleging problems in its 401(k) plan is likely to pave the way for more litigation over retirement plans, industry watchers say.

The decision “has pretty significant ramifications for people’s ability to bring lawsuits over fiduciary breaches,” said Michael Kreps, a principal at Groom Law Group who specializes in retirement-plan law.

In recent years, employees have launched a wave of lawsuits that have resulted in multimillion-dollar settlements against companies. Many of those suits alleged the plans had high fees.

PRIVATE FUNDS

Commentary: .ORG Still Wouldn’t Be Safe | The NonProfit Times

Dear Fadi Chehadé, Erik Brooks, and Jon Nevett:

We are writing in response to your announcement of “accountability initiatives” to follow the proposed sale of the .ORG registry.

While you have clearly recognized that the NGO community demands accountability from its top-level domain registry, this announcement does nothing to display that accountability. Rather than instill trust, it reveals once again that you lack understanding of the NGO community’s needs and are not equipped to manage .ORG.

The for-profit takeover of the non-profit '.org' top-level domain | ZDNet

At first glance, the proposed deal makes little sense. The Internet Society is trying to sell the non-profit Public Interest Registry (PIR), the registry for the ".org" top-level domain (TLD), to the new private-equity firm Ethos Capital for $1.135 billion. There are about 10.5 million .org domains, and most -- but not all -- are non-profits. Where's the money?

For-profit firm seeking to run .org names makes concessions | Boston Herald

A private equity firm seeking to buy rights to operate the internet’s .org suffix said it will cap price hikes and create an advisory board with veto powers to ease concerns from the nonprofit community.

Ethos Capital has offered $1.1 billion to buy the Public Interest Registry, the nonprofit corporation that runs the databases containing more than 10 million .org names registered worldwide. Organizations ranging from the Girl Scouts of the USA and Consumer Reports to the American Bible Society have opposed the sale, warning of potential price gouging and censorship. California's attorney general and four congressional members have also requested information to evaluate a deal's potential impact to nonprofits.

It wasn't immediately clear whether the concessions are enough to satisfy critics. The cap on price hikes, for instance, will expire in eight years, and most of the advisory board's initial members will be appointed by the Public Interest Registry's board.

Raiding the safety net: Leonard Green & Partners seeks to walk away from prospect medical holding after collecting $570 million in fees and dividends | Private Equity Stakeholder Project

Private equity firm Leonard Green & Partners acquired Prospect Medical Holdings in 2010.

• Leonard Green and other owners have extracted $570.44 million in fees and dividends from Prospect since they took over the company.

• Each of the health systems Prospect has acquired under Leonard Green's ownership has struggled:

• In Texas, Prospect is closing health system Nix Health in its entirety as of November 2019. Nearly 1,000 health care workers in San Antonio will lose their jobs.

Mom and Pop Should Be Free to Take a Pass on Private Equity | Bloomberg

Groucho Marx once joked, "I don't want to belong to any club that would have me as a member." That's essentially how ordinary investors should feel about private equity.

Every investor — big or small, ordinary or well-heeled, 12 figure or four — should have equal access to markets. That's a perfectly banal observation in most contexts, but it's wildly controversial when it comes to investing. Ordinary investors are routinely denied access to the choicest investments, often based on the patronizing premise that they're too unsophisticated to participate in some segments of the market. By the time those segments finally open to them, the trades are inevitably crowded and much of the value is depleted. What's left is more risk than reward.

$79B Georgia Pension Allowed to Invest in Alternatives for First Time | Institutional Investor

The state senate passed a bill on Tuesday that will let the Teachers Retirement System of Georgia meet a targeted 5 percent allocation to alternatives.

The Teachers Retirement System of Georgia has been given the go-ahead by state legislators to invest in alternatives.

The retirement system, which had a total of $78.89 billion under management as of June 30, 2019, has been investing only in equities and fixed income up to this point, a rarity in the world of U.S. public pension funds.

That can change now, however, because the Georgia State Senate passed a bill Tuesday that will allow the retirement system to invest in alternatives.

State Senator Ellis Black, who chairs the retirement committee and was the lead sponsor of the bill, did not return a phone call Wednesday seeking comment. Georgia TRS could not be reached by phone for comment on Wednesday.

Global Private Equity Report 2020 | Bain & Company

The private equity market in 2019: Strong deal activity despite worsening macro conditions

If 2018 was a year of divergence—acceleration in the US, deceleration in the eurozone and China— 2019 saw economies slowing across the board. There is a growing expectation of a global recession in the near future. Beyond the trade wars and uncertainty around Brexit, a number of economic indicators are flashing red or yellow.

Some 57% of private equity fund general partners (GPs) surveyed by Preqin worldwide think the economy has reached a cyclical peak, while 14% think it has already entered a recession (see Figure 1.1). They are also significantly more worried about geopolitical conditions than they were a year earlier. Overall, these concerns about market stability help explain why their No. 1 source of anxiety (70% of respondents) is overheated asset valuations.

Three charts that pierce the private equity hype | Financial Times

With the world seemingly on the precipice of an acute supply shock, you probably want some financial data to bring you comfort as your precious stocks head south. Tough luck:

Yep, that's the ratio of debt-to-EBITDA across private equity deals in the past 17 years from the latest version of Bain & Company's annual report on the sector.

The 96-page report covers quite a lot of what you might already think about the private equity business. Namely, multiples are elevated, leverage is egregious, there's copious "dry powder" on the sidelines and it's hard to see where its historically stonking returns will come from after a near-decade run in earnings growth and multiple expansion.

Well mainly multiple expansion, because as it turns out, private equity is not very good at hitting its profit targets.

Think Twice Before You Invest in a Private-Equity Fund | Barrons

Have individual investors missed out by not having access to private equity? In weeks like these, when publicly traded stocks are getting clobbered, it might seem so.

We're about to find out the answer, courtesy of Vanguard Group's recent decision to create a private-equity fund. Though the fund initially will be available only to institutions such as college endowments and nonprofit foundations, Vanguard says it eventually will be made available to individuals as well.

Legal expert worries 'shadowy,' radiology-backing private equity firms will derail surprise billing fix | Radiology Business

Just as Congress appeared to be nearing the finish line in passing a fix to stop providers from issuing surprise medical bills last year, the whole thing went up in smoke. And some believe private equity firms—which are increasingly moving into radiology and other physician specialties—are at least partially to blame.

Legal expert Erin Fuse recently expressed her concerns about how this legislative process has unfurled in an opinion piece, published last week in the New England Journal of Medicine. The numbers are convincing: three-fourths of Americans want this problem addressed, and one such proposal could shave $20 billion off the federal deficit over the next 10 years.

$45 Billion: That's What This Study Says Pensions Lost in Private Equity | Institutional Investor

Some pension funds “systematically pay more fees,” researchers from Harvard and Stanford found.

Some pension funds have given up billions of dollars in private equity gains because of their fee structures, according to research from Harvard University and Stanford University.

“Some pensions systematically pay more fees than others when investing in the same fund,” Stanford professor Juliane Begenau and Harvard professor Emil Siriwardane said in a recent research paper. The “large variation in net-of-fee performance” suggests that pension funds could have earned $45 billion more in gains.

The paper shines a light on privately-negotiated fees as pension funds increasingly shift capital into private equity. Size, relationships, and governance account for a “modest amount” of the variation, the researchers found, meaning “similar pensions consistently pay different fees.”

Private equity sets its sights on booming professional sports | Market Watch Opinion

The sports and live-entertainment industries are booming, with global revenues from sports projected to be $64 billion this year and live entertainment expected to generate $35 billion.

And private equity professionals are no stranger to the game of finding undervalued assets and unlocking potential. Tom Gores, the founder of Los Angeles-based Platinum Equity, became one of the first private equity barons to buy an NBA franchise when, together with Platinum Equity, he paid $325 million in 2011 for Palace Sports & Entertainment Partners, the owner of the Detroit Pistons and related real estate assets. In fact, principals of private equity funds currently own more than one-fourth of all NBA franchises.

Univision sells majority stake to private equity firm | New York Post

Univision has sold a majority stake to a group of investors, ending the Spanish-language broadcaster’s protracted and flailing sales process.

The TV company known for dramas like “La Reina Soy Yo” has agreed to sell a 64 percent stake to a group of investors including private equity firm Searchlight Capital Partners and ex-Viacom finance chief Wade Davis, it said on Tuesday.

Davis will become the company’s new chief executive after the deal closes later this year. In an interview with The Journal, Davis said his plans for the company include developing a direct-to-consumer streaming service that could feature the company’s entertainment, sports and news programming. He didn’t say whether the service will be supported by user fees or ads.

Will Fantasy Island season ticket holders get their money back? | The Buffalo News

After providing Western New Yorkers with more than 50 years of fond memories, Fantasy Island closed for good last Wednesday.

The news came as a shock to parkgoers and local politicians, none of whom had any indication the park wouldn't reopen as usual for the 2020 season.

That left readers wondering what had happened and what will happen next. Digital Engagement Editor Qina Liu compiled questions from social media and business reporter Samantha Christmann searched for answers.

From Kyle Franke: So, what about the people that purchased season tickets? Guess they won't see a refund now will they?

From Jennifer Hutchison: What happened to the people who purchased a season pass for 2020?

From Marci Ann: What happens to the money they received from families who purchased season passes for 2020?

MORTGAGES AND HOUSING

Joint Letter: Letter in Support of the Housing Fairness Act of 2020 | AFR

The Housing Fairness Act authorizes increased program funding to better support existing qualified fair housing enforcement organizations, create new groups where they do not currently exist, and help fair housing organizations attract, train, and retain highly specialized fair housing experts to conduct testing and investigations. The bill also makes significant improvements in a number of program areas in order to streamline program implementation, make better use of grantee and HUD time and resources, and provide for coordinated systemic regional or national investigations to get at the heart of systemic discrimination. The bill also creates a separate grant program intended to support academic research into the nature, causes and outcomes of housing discrimination and residential segregation to support the need for stronger fair housing policy solutions. H.R. 149 also makes adjustments to FHIP eligibility requirements to ensure that organizations can concurrently apply for enforcement and education grants.

The CRA Evaluation Measures Would Allow Banks To Relax Their Retail Lending To LMI Borrowers And Communities | NCRC

The Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) have proposed changes that would dramatically alter the Community Reinvestment Act (CRA) examination of banks. Their proposal would create a metric, called the CRA evaluation measure, that would be the dominant measure for determining a bank's rating. As long as a bank passed its lightly weighted retail lending test, the bank's overall CRA rating would be what it had achieved on the evaluation measure.

The CRA evaluation measure consists of a ratio of CRA lending activities divided by total deposits. Per the agencies' proposal, a bank's ratio of activities to deposits would need to be 11% to earn Outstanding and 6% to earn Satisfactory. Ratios below 6% would result in the bank failing its exams.

CRA overhaul plan finds few supporters on any side | Banking Dive

A proposal to overhaul how banks meet lending requirements under the Community Reinvestment Act (CRA) is running into headwinds among banks, regulators, members of Congress and advocates of low-income communities.

Banks say the proposal released in January by the Office of the Comptroller of the Currency (OCC) would increase their compliance costs and force them to hold more loans in portfolio rather than securitize them for sale to investors, while community advocates say it will lead to a drop in the number of loans to low-income households and businesses.

YIMBY Act Support Letter (HR 4351) | American Planning Association

Dear Chairman Waters, Ranking Member McHenry, Chairman Clay, Ranking Member Stivers, Representative Heck, and Representative Hollingsworth:

We write you today in support of Congressman Heck's proposed Amendment in Nature of a Substitute to H.R. 4351, the Yes in My Backyard (YIMBY) Act. Similar to its counterpart in the Senate (S. 1919), the YIMBY Act encourages communities to eliminate discriminatory land use policies and remove barriers that prevent the production of needed housing in communities throughout the United States. It gives the federal government, through the Department of Housing and Urban Development, a constructive role to play in solving the housing shortage and affordability crisis.

This Stock Has Returned 4,100% Since the Housing Crash | The Wall Street Journal

One of the best-performing investments since last decade's housing crash: trailer parks.

From the March 2009 stock-market bottom, shares of big mobile-home park owners Sun Communities Inc. and Equity LifeStyle Properties Inc. have returned a tech-like 4,137% and 1,186%, respectively, counting price changes and dividend payments. The S&P 500's return has been 499%.

SMALL-BUSINESS LENDING

Waterloo business founder wins lawsuit over discriminatory lending | The Courier

WATERLOO — A Waterloo business owner has won a lawsuit requiring the Consumer Financial Protection Bureau to do more about discriminatory lending practices across the country.

ReShonda Young, who founded Popcorn Heaven in 2014, had joined a group of plaintiffs last summer in legal action claiming the federal agency was failing to follow Dodd-Frank Act requirements to reduce discrimination against women-owned, minority-owned and small businesses.

CFPB agrees to implement anti-discrimination data requirement | Politico

The CFPB has agreed to collect and disclose data meant to track discrimination in business lending as part of a settlement with a consumer advocacy group filed today in federal court in California.

The group Democracy Forward sued the CFPB in May, alleging that the consumer bureau was violating a provision of the Dodd-Frank law that requires it to collect and publish data on lending to women- and minority-owned small businesses.

The agency will publish an outline of proposed regulations to implement the data collection requirement by September under the terms of the settlement. It also agreed to convene a "Small Business Advocacy Review" panel by October.

Democracy Forward filed the suit on behalf of the California Reinvestment Coalition, the National Association for Latino Community Asset Builders and two female business owners.

Lawsuit Compels Trump Administration To Commit To Finalizing Protections Against Lending Discrimination | California Reinvestment Coalition

Today, in response to a legal challenge brought by small business owners and community development organizations, the Trump administration has finally agreed to stop flouting its legal obligation to facilitate enforcement of anti-discrimination laws that protect women and minority-owned and small businesses from discriminatory financial institutions. Pursuant to a settlement agreement filed with the U.S. District Court for the Northern District of California, the Consumer Financial Protection Bureau will agree to concrete court-ordered deadlines for implementing Section 1071 of the Dodd-Frank Act, which requires the agency to collect and disclose data on discriminatory lending to America's small businesses. After unlawfully delaying this requirement for years, the CFPB must also submit status reports updating the public on its progress. Today marks a milestone victory for addressing the credit barriers small business owners face across the country — particularly women and entrepreneurs of color.

STUDENT LOANS AND FOR-PROFIT SCHOOLS

Discover's Student Loan Servicing Again Under CFPB Scrutiny | Law 360

Discover Financial Services Inc. said Wednesday that the Consumer Financial Protection Bureau is investigating student loan servicing practices at the company's bank subsidiary, which the consumer watchdog ordered several years ago to pay $18.5 million to settle claims of borrower mistreatment.

Automatic Textbook Billing: An offer students can't refuse? U.S. PIRG

Attending college in America is one of the largest expenses someone will have in their lifetime. For more than 30 years, textbook publishers have added to that financial burden by driving up textbook costs through a variety of tactics. The latest effort is to automatically charge students for textbooks on their tuition bill.

U.S. PIRG Education Fund undertook a first of its kind review of these contracts covering 31 colleges across the country, and affecting more than 700,000 undergraduate students. We found that many of these contracts fail to deliver real savings for students, reduce faculty and student choice, and give even more power to a handful of big publishing companies.

That Digital Textbook? Your College Has Billed You for It | The New York Times

Publishers say the program saves students money. But some student advocates say colleges are often not making clear how to opt out or even how much students are saving.

Colleges are increasingly assigning digital books and study tools instead of paper textbooks. But one electronic option in particular has come under criticism from some student advocates.

That model is called inclusive access, in which colleges have contracts with education publishers to provide required digital texts and study tools at a discount. Then, colleges automatically bill students when they enroll, as part of their tuition. Colleges began adopting these digital programs over the past decade in response to expensive increases in textbook prices. Now, courses at hundreds of colleges offer inclusive access programs.

Senate Might Rebuke DeVos on Borrower Defense | Inside Higher Ed

For all of President Trump's controversial policies, it has been rare for the Republican Senate to formally condemn the administration. But lobbyists on both sides of the debate over U.S. Education Secretary Betsy DeVos's borrower-defense rule say it's increasingly possible that the Republican Senate could join the Democratic House in rebuking the administration over the rule critics say makes it harder for defrauded students to have their education loans forgiven.

Lobbyists representing groups who support as well as oppose the rule stop short of predicting that the resolution sponsored by Senate Democratic Whip Dick Durbin of Illinois will pass. But they say several Republicans are on the fence, making it possible that the proposal could get the four Republican votes needed to pass.

[Blue Shield of California Is Steering Employees to College Sued by California for Fraud](#) | Republic Report

Blue Shield of California announced a new partnership with California-based for-profit education provider Zovio — a deal that offers employees of the non-profit health insurance company opportunities to attend Ashford University, a college formerly owned by, and now serviced by, Zovio.

According to a press release, under the deal "full-time Blue Shield employees who have been employed for six months can obtain free associate, bachelor's or master's degrees at Ashford University without taking out student loans or incurring additional tuition expenses." Also, "immediate family members of Blue Shield of California employees can also enroll in Ashford University degree programs at a discounted tuition rate."

For-Profit College Lobbyist Desperately Sought Face Time With DeVos | Republic Report

Over three years, the for-profit college industry has gotten almost everything it has wanted from the Trump administration — the cancellation of Obama-era regulations aimed at holding poorly-performing and deceptive colleges accountable, a dramatic scaling-down of enforcement efforts to crack down on fraud and abuse, the deep-freeze or rejection of thousands of claims by ripped-off students to have their federal loans cancelled.

But at the outset of the administration, newly-released documents show, the industry's chief lobbyist, Steve Gunderson, expressed increasing frustration over not getting something else he clearly wanted badly: a face-to-face meeting with Trump education secretary Betsy DeVos. Gunderson, a Republican former congressman from Wisconsin and now the CEO of the trade group Career Education Colleges and Universities (CECU), made clear to DeVos aides that the for-profit school executives he represented deserved the meeting because they had supported Donald Trump over Hillary Clinton.

Betsy DeVos orders probe after USA TODAY finds college evidently without faculty, students | USA Today

The U.S. Department of Education launched an investigation after a USA TODAY report showed an accredited college apparently had no faculty or students.

Reagan National University, the college investigated by USA TODAY, was approved by the Accrediting Council for Independent Colleges & Schools. It has a history of approving several for-profit universities that suddenly closed, such as ITT Tech and Corinthian Colleges in the mid-2010s. The accreditor still operates mainly because it was saved by the Education Department in 2018 under Secretary Betsy DeVos.

Thursday, DeVos told a congressional committee she was "troubled" by USA TODAY's report and she launched an investigation as a result.

Education Department Launches Investigation of ACICS | Inside Higher Ed

U.S. Education Secretary Betsy DeVos told a House education appropriations subcommittee that the department has launched an investigation of the Accrediting Council for Independent Colleges and Schools' accreditation of a South Dakota university that appears to have no faculty, staff or classrooms.

Testifying before Congress Thursday morning, DeVos was asked by the subcommittee's Democratic chairwoman, Rosa DeLauro of Connecticut, about a USA Today report earlier this month on the accreditation of Reagan National University.

Reporters visiting addresses for Reagan National University found a darkened office suite behind locked doors at one location. At another location, they found an empty suite save for some insulation scattered on the floor.

Drilling Down Into Distance Education Data | Inside Higher Ed

Over 1.5 million students studied toward online degrees at institutions in their home state last year, according to new distance education data released today.

The National Council for State Authorization Reciprocity Agreements (NC-SARA) has been collecting data on the number of out-of-state students studying online for the past four years.

This year for the first time the report includes in-state students studying online in addition to out-of-state students studying online -- painting a much fuller picture of the online learning landscape.

Student Loan Borrowers Sue Betsy DeVos - Again | Forbes

Student loan borrowers have filed yet another lawsuit against Education Secretary Betsy DeVos over the Borrower Defense to Repayment program.

Borrower Defense to Repayment was established in 2016 by the Obama administration. The program was created in the wake of the collapse of major for-profit colleges to provide student loan forgiveness for borrowers who were defrauded by their schools.

SYSTEMIC RISK

Small Banks Tell Fed Its Libor Replacement Doesn't Work for Them | Bloomberg

Officials from 10 mid-sized American banks said U.S. regulators' preferred index for replacing the maligned Libor benchmark doesn't work for them.

The Secured Overnight Financing Rate, or SOFR, is appropriate for large banks as a Libor substitute because they have stronger ties to the market for repurchase agreements, according to the letter sent by 10 banks to Federal Reserve Vice Chairman Randal Quarles, Comptroller of the Currency Joseph Otting and Federal Deposit Insurance Corp. Chair Jelena McWilliams. But it's ill-suited for smaller ones, they said.

Global Private Equity Newsletter - Winter 2020 Edition: Giving Birth to SOFR — LIBOR Pains? | JDsupra

The process of identifying and implementing a new benchmark rate of interest to replace LIBOR for U.S. Dollar-denominated loans is underway. On account of the widely reported charges of manipulation in connection with the setting of LIBOR rates and with global lending regulators confirming that LIBOR will cease as a reference rate by early 2022, sponsors and other participants in the syndicated and direct loan markets should be aware of the coming transition to a replacement benchmark rate.

The industry working groups considering alternative benchmark rates have all but settled now on the secured overnight financing rate (SOFR) as the benchmark interest rate that will replace LIBOR. SOFR is a (virtually) risk-free rate based on the actual overnight interest rates charged on secured loans backed by U.S. Treasury securities in the extensive U.S.

Treasury repo market. Because it is based on actual transactions, SOFR would not be subject to potential manipulation in the way an indicative rate like LIBOR is, being determined as it is through a survey of reference banks.

JPMorgan Chase to unveil climate plans at investor day | Reuters

JPMorgan Chase & Co (JPM.N) executives plan to announce new climate-change initiatives on Tuesday, including restrictions on financing coal mining and Arctic drilling, as well as a $200 billion target to provide financing for sustainable projects.

JPMorgan said on Monday that it would detail the initiatives at the bank's investor day. The bank has faced years of criticism from environmentalists for its relationships with fossil-fuel companies, scrutiny it has sought to avoid at events like its annual shareholder meeting, which are open to the public.

Mnuchin Spurns Investors' Calls to Coordinate More With Fed | Bloomberg

U.S. Treasury Secretary Steven Mnuchin said he sees no need to boost coordination between the government and the Federal Reserve, rebuffing investors who've called for more cooperation as central bankers run out of tools to counter the next recession.

JPMorgan Chase & Co.'s Jamie Dimon, BlackRock Inc. and former central bankers are among those who've advocated for more explicit cooperation between the Fed and the government.

TAXES

Every Democrat running for president is at least open to taxing stock trades | Yahoo Finance

Pete Buttigieg came out for a financial transaction tax this week. The former South Bend, Ind., Mayor proposed a 0.1% tax on all securities trades to "curb inequality and Wall Street gambling that causes 'flash crashes.'"

Michael Bloomberg came out with a similar plan last week. If he has his way, you'll also pay 0.1% every time you trade a stock, a bond or a derivative.

The idea — which has very few fans on Wall Street — has now become the consensus among Democratic contenders for president. Yahoo Finance found that all 8 Democratic candidates are in favor of a financial transaction tax – or at least "open" to the idea.

Candidates like Bernie Sanders and Bloomberg have come forward with plans for such a tax. Others, like Former Vice President Joe Biden and Sen. Amy Klobuchar, have signaled a willingness to look at the issue.

ELECTIONS, MONEY, AND POLITICS

Mike Bloomberg has done an about-face on Wall Street reform | Yahoo Finance

Can a leopard change its spots? That is the central question hanging over Michael Bloomberg's candidacy for the Democratic presidential nomination. He has spent nearly a half billion dollars of his personal fortune on a massive advertising campaign and raft of policy proposals designed to show he is a man of the people.

Unfortunately for his campaign, when voters got their first chance to see him live at last week's presidential debate, he did not perform well. He failed to adequately explain or atone for a litany of past statements and positions cited by opponents that suggest he is a rich elitist with troubling views toward women and minorities. He will get another chance at tonight’s debate, but credibly distancing himself from his past record will present a formidable, if not insurmountable, challenge.

OTHER TOPICS

NEW 'DIRTY MONEY' | Netflix

Season 2 of the Netflix show "Dirty Money" will feature episodes on the Wells Fargo fake accounts scandal; the 1MDB scandal, a multibillion-dollar fraud involving Goldman Sachs and a Malaysian government investment fund; and four other stories. It premiered on March 11.