

# Americans for Financial Reform

## Accountability, Fairness, Security

### MESSAGING FOR FINANCIAL REFORM

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<b>SLOGAN: Rein in the Big Banks</b>	
<b>CORE MESSAGE</b>	

#### Short Version

Financial reform will protect working families and small businesses by reining in the greedy, reckless behavior of big banks on Wall Street that cost millions of jobs, and by cracking down on abuses committed by credit card companies and the mortgage lending industry. These reforms will strengthen our financial system and will help to prevent another financial crisis.

#### Full Version

The reckless behavior of big banks on Wall Street, credit card companies, mortgage lenders caused a financial crisis that cost Americans millions of lost jobs, billions in taxpayer funded bailouts and trillions of lost retirement savings.

We need financial reform that will hold corporations, big banks and individuals accountable by reining in the greedy, reckless behavior on Wall Street, setting limits on pay for CEOs and executives whose companies receive government assistance, cracking down on the abuses and deceptive practices of credit card companies, increasing stability for small businesses and preventing predatory lenders and irresponsible borrowers from entering into loans they know cannot be paid back. Financial reform will close the loop holes that big banks on Wall Street have taken advantage of over the past two decades, and which economists say helped cause the financial crisis.

By demanding accountability from those who helped cause the financial crisis, we can protect Americans who play by the rules, help small businesses, prevent future bailouts and job losses, and lay the foundation for a financial system that promotes stability and long-term economic growth, rather than greed and short term-profits.

Those who oppose this reform want to take us back to the failed [Bush] economic policies of the last 8 years.

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### RESPONSES TO ATTACKS

It's important to emphasize that not only is financial reform popular in general, but also that most of the other side's attacks largely fall flat. Their most powerful attack is that the Consumer Financial Protection Agency and other reforms will lead to more bureaucracy that will raise taxes and hurt the economy. In our research, we have largely found that the best strategy is to inoculate against the attack early by reinforcing our frame that links the big banks and Wall Street to the economic collapse and to point out that the subsequent bailouts have hurt taxpayers. Financial reform is about restoring transparency, accountability, affordability, and fairness to our economy.

Also likely to be ineffective is a new opposition strategy that attacks a Consumer Financial Protection Agency as a "new EPA." In our research and in other research, we have found that the EPA is actually very popular with voters (61% favorable, 22% very favorable, LRP August 2009). Though our key comparison is with the Consumer Product Safety Commission, if opponents want to attack us by comparing us to the agency that keeps our air and water clean, we should not be overly concerned.

#### *Primary Response:*

Financial reform is about holding big banks and those responsible for the financial crisis accountable. Any member of Congress who opposes this bill is putting the interests of big banks and credit card companies ahead of working Americans who play by the rules.

#### *Response to charge that it will cost jobs:*

Opponents of financial reform are protecting the greedy and reckless abuses on Wall Street that cost us so many jobs and created the worst economic mess since the Great Depression. Financial reform will protect jobs and lead to a healthier, more stable economy that creates new jobs.

#### *Response to charge that it will create more regulation and bureaucracy:*

The recent financial crisis was a direct result of the weakening of regulations that had governed America's financial system for decades. Financial reform will re-establish essential oversights over big banks to prevent future financial crises, set limits on pay for CEOs and executives whose companies receive government assistance and protect consumers by cracking down on the abuses and deceptive practices of credit card companies.

#### *Response to charge that it will hurt small businesses:*

Financial reform will help small businesses by creating a more stable and dependable flow of credit for them. The financial crisis significantly reduced small businesses access

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to credit, forcing many to close and many more to lay-off workers. By creating a more stable flow of credit for small businesses, financial reform will make it easier for them to succeed and create jobs.

*Response to charge that it will hurt community banks:*

Financial reform will help community banks by working to ensure that they have access to funding to make sound loans, by significantly reducing the funding advantage of big banks on Wall Street and by closing the loopholes that these big banks have exploited. By taking these measures, financial reform will strengthen protections for community banks and establish the level playing field that they deserve.

*Response to charge that this is a new bureaucracy that will raise taxes and fees:*

Financial reform will stop the greedy abuses by big banks on Wall Street that cost people their savings and cost taxpayers billions in bailouts. It will also put an end to bailed-out companies awarding bonuses to their CEOs.

### **KEY COMPONENTS OF FINANCIAL REFORM**

- Rein in the greedy and reckless behavior of big banks by increasing oversight of Wall Street
- Protect Consumers by cracking down on abuses and deceptive practices of credit card companies
- Set a limit on pay for CEOs and executives whose companies receive government assistance
- Help small businesses by creating a more stable source of credit for them
- Require big banks to keep a certain percentage of their profits in reserve to prevent them from failing and needing a bailout to survive
- Strengthen fraud detection and protections for whistleblowers to prevent schemes like Bernie Madoff's
- Close the loopholes that allow big banks to operate without any oversight over their risky deals
- Prevent brokers and lenders from making loans that borrowers can't afford to pay back

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- Eliminate the incentives that reward employees on Wall Street for risking people's savings with zero accountability
- Protect consumers from intentionally deceptive products and confusing contracts

### TALKING POINTS FOR MEMBERS OF CONGRESS AND FUNDERS

- This issue offers supporters a major opportunity to win over Independents and to frame a larger debate over economic priorities and how to strengthen the economy
- Financial reform offers supporters the opportunity to establish a compelling contrast between their support for working families and small businesses, and opponent's support for the big banks on Wall Street that helped cause the financial crisis
- Financial reform proposals and the messages in support of them are poll tested.\*
- When Independents hear a short description of the plan, over 60 percent support it
- 70 percent of voters believe America's financial system is in need of major reform, even higher than the percentage that wants major reform of our healthcare system
- Two thirds of voters in both Blue Dog and other hotly contested congressional districts support creating a Consumer Financial Protection Agency.
- Voters in those swing districts also strongly support reining in the unregulated market for complex financial products like derivatives by a 46 point margin.

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\* These findings are based on two polls LRP poll of 900 likely 2010 voters in 77 Blue Dog and DCCC Frontline districts between October 7-11 2009 and an Anzalone Liszt Research poll of 1000 likely voters margin of error is 3.1; nationwide November 30 - December 3, 2009.