THIS WEEK IN WALL STREET REFORM

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#Occupy and Other Grassroots Activities

'Occupy Our Homes' Protesters Highlight Foreclosures Nationwide
Arthur Delaney (Huffington Post)
December 6, 2011

"Bobby Hull is scheduled to be evicted from his Minneapolis house in February, but he won't leave without a fuss. He's invited 100 people from the local version of the Occupy Wall Street movement on Tuesday to protest his foreclosure. Hull said he doesn't know if the attention will help him win back his home, which Bank of America sold at a sheriff's sale in August, but he considers the effort worthwhile no matter what. 'If I lose it, I lose it. But I might be able to open the door for somebody else,' Hull told HuffPost. 'It might inspire somebody else to stand up and say, 'Yeah, you're right, what the banks are doing is wrong.' … 'This is the typical situation,' said Steve Fletcher, director of Minnesota Neighborhoods Organizing for Change, a local community organizing group. 'The banks are being incredibly bad about negotiating with homeowners [for loan modifications] and then they turn around and sell the house at a huge loss at a sheriff's sale.'That's the idea behind the action at Hull's house: to draw attention to an unending foreclosure crisis. The rally is one of several events scheduled across the country as the Occupy Wall Street movement, defined in part by its broad critique of economic inequality, focuses in on the narrower issue of housing. Events like the rally at Hull's house will occur in more than a dozen cities, according to organizers, who have received help from more traditional community organizing and labor groups." Click here for more.

Occupy protests move to foreclosed homes
Manuel Valdes (AP)
December 6, 2011

"The Occupy Wall Street protests are moving into the neighborhood. Finding it increasingly difficult to camp in public spaces, Occupy protesters across the country are reclaiming foreclosed homes and boarded-up properties, signaling a tactical shift for the movement against wealth inequality. Groups in more than 25 cities held protests Tuesday on behalf of homeowners facing evictions." Click here for more.

Occupy protest targets Oakland foreclosures
Angela Woodall and Kristin J. Bender (Oakland Tribune)
December 6, 2011

*"Gayla Newsome was never part of the elite '1 percent,' but she thought she was doing pretty well for herself, with a good job as the executive director of a nonprofit organization and a home in West Oakland she bought 15 years ago. But in July, she lost that Adeline Street property and for the past several months has been trying to reclaim it. …Newsome joined dozens of others in Oakland on Tuesday for rallies and marches as part of "Occupy Our Homes" day. Similar actions were held in Oakley and other cities throughout the nation as the Occupy movement turned its attention to the foreclosure crisis. The Oakland event was organized mostly by **Alliance of Californians for Community Empowerment,** which lobbies for housing reform." Click here for more.*

SoCal Families To 'Occupy' Foreclosed Homes; BofA Braces For Protests
KCAL 9 (CBS affiliate)
December 6, 2011

*"Does the latest twist in the national 'Occupy' movement pose a threat to one of the largest banks in the U.S.? In an email, Bank of America warned its field agents to be prepared for protests as at least two Southland families announced plans on Tuesday to actively 'reclaim' homes that were lost to foreclosure. A copy of an internal memorandum addressed to 'all BAC Field Services suppliers' dated December 5 appears to warn agents not to engage with protesters and to ensure that any BAC-owned vacant properties are secured. Sponsors of the campaign include **Occupy Wall Street, ReFund California, The New Bottom Line, the Alliance for Californians for Community Empowerment, Take Back the Land, SOUL and New York Communities for Change**." Click here for more.*

Occupy Movement Targets Home Evictions in U.S. Day of Action
Andrea Riquier, Prashant Gopal and Nadja Brandt (Bloomberg)
December 6, 2011

"Occupy Wall Street protesters marched through a neighborhood of New York's Brooklyn borough to claim a foreclosed property for a local family as part of a nationwide day of demonstrations against home seizures. Behind a banner that said 'Foreclose on banks, not people,' about 300 people made their way to a house on Vermont Street in Brooklyn's East New York section, where Alfredo Carrasquillo plans to live with his wife, Tasha Glasgow, and their two children. The property had been vacant for three years and is owned by Bank of America Corp., according to a statement by Occupy Wall Street. … Carrasquillo, a community organizer for VOCAL-NY, and his family were at the Vermont Street house when the marchers arrived. The crowd passed 'housewarming gifts' to the family as volunteers began cleaning the house." Click here for more.

Sherter - No place like home: "Occupy Wall Street" targets foreclosures
Alain Sherter (CBS News MoneyWatch)
December 6, 2011

"Occupy Wall Street is going house-hunting. A spinoff of the protest movement, Occupy Our Homes, is launching a campaign Tuesday to help people facing foreclosure fight eviction. The 'national day of action,' which will involve rallies in more than 20 cities nationwide, builds on existing grass-roots efforts around the U.S. to prevent banks from seizing homes and to draw attention to the millions of homeowners at risk of losing their properties. … The Occupy campaign's focus on wrongful evictions could help the group -- and the country -- in another way. Friends and foes of the movement have called on protesters to clarify the group's agenda and demands. In wake of the greatest housing crash in U.S. history, fighting foreclosure is about as clear as it gets. Meanwhile, pinning down policymakers on where they stand on issues such as cram-down legislation could push the debate in the right direction." Click here for more.

The Rachel Maddow Show – Picket Fence (on Occupy Our Homes)
The Rachel Maddow Show (MSNBC)
December 2, 2011

"Rachel Maddow reports on an offshoot of the Occupy movement dedicated to defending struggling Americans for foreclosures and eviction." Click here for more.

Visit OccupyOurHomes.org for more press coverage.

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Attacks on Regulations and Pushback

Editorial - Undermining the Executive Branch
NYT editorial
December 4, 2011

"The House will soon consider a bill called the Regulations From the Executive in Need of Scrutiny Act, Reins for short. Its proponents — more than 200 co-signers, mostly Republicans — may hope the stupefying title will lull voters into forgetting what the bill would do. That would be a mistake. Reins is a terrible piece of legislation that would undermine a functioning regulatory system that protects people from harm. It would also do a great disservice to Congress itself." Click here for more.

American Sustainable Business Council - 2011 growth aided by smart government regulations
Jennifer V. Orgolini (Washington Post op-ed)
December 5, 2011

"At a time when many businesses are downsizing or worse, New Belgium Brewing, which opened in 1991 and has become the third largest craft brewery in the United States, is profitable and growing. While our customers have traditionally enjoyed our beer west of the Mississippi, we grew 7 percent this year by expanding our sales to the District, Maryland and Virginia. People may be tightening their belts, but they still

want affordable luxuries, including a six-pack of their favorite beer. … We welcome a fair playing field that raises the bar for all. It's one of the reasons we joined the ***American Sustainable Business Council****, a network of business organizations advocating for public policies that address the new realities of the 21st century global economy. … Some businesses, usually the ones that lay off workers while their CEOs take in millions in pay, say regulation is bad for business, but our experience shows otherwise. … Jennifer V. Orgolini is the director of sustainability and strategic development at New Belgium Brewery in Fort Collins, Colo." Click here for more.*

Opinion: How the REINS Act Fails Small Businesses and the Economy
Vince Siciliano for CNBC.com
December 8, 2011

"Vince Siciliano, CEO of New Resource Bank, responds to the opinion piece by Rep. Sam Graves, (R-MO) the Chairman of the House Small Business Committee, published yesterday on CNBC.com. Yesterday, the House of Representatives passed the REINS Act, misleadingly named 'Regulations from the Executive in Need of Scrutiny.' Proponents of the bill justified it with false claims of saving small businesses from 'regulatory burdens.' In fact, the House did nothing for small business, and it took for itself extreme and unwarranted power to derail the entire regulatory process, including good regulations that are necessary for the economy to thrive. Most small business owners will tell you that their biggest challenge right now is lack of demand, not regulations." Click here for more.

Obama threatens to veto GOP regulations bill
David Jackson (USA Today)
December 6, 2011

"The battle between President Obama and congressional Republicans continued today as the White House threatened to veto a House GOP plan to restrict federal regulations on business. A statement from the Office of Management and Budget said the Republican proposal 'would impose an unprecedented requirement that a joint resolution of approval be enacted by the Congress before any major rule of Executive Branch agencies could have force or effect.'" Click here for more.

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CFPB and Consumer Issues

NOTE: The Administration's push around the CFPB focusing on Alaska, Indiana, Iowa, Maine, Nevada, Tennessee and Utah, the President's speech, Senate cloture vote, the President's post- cloture vote press conference, and everyone's grassroots work, generated hundreds of news hits around the CFPB. Below is a compilation of some of the best news hits. Please forward additional letters-to-the-editors, op-eds, and/or articles.

Richard Cordray News

Senate Republicans Blocks Consumer-Bureau Nominee
Maya Jackson Randall (Dow Jones Newswires)
December 8, 2011

"Senate Republicans blocked consideration of the president's nominee to lead a new U.S. consumer-watchdog agency as they renewed calls for the White House to overhaul the agency's structure. With a 53-to-45 vote, Democrats failed to get the 60 votes needed to block a Republican filibuster of the nomination of Richard Cordray, Ohio's former attorney general, to lead the Consumer Financial Protection Bureau. …'Some senators are taking the extreme step of demanding that the law be reopened and refusing to allow him an up or down vote,' said ***Americans for Financial Reform Director Lisa Donner****. 'If they continue, we will urge the president to make a recess appointment.'" Click here for more.*

Press statements: National Fair Housing Alliance, Consumer Federation of America, **NACA -** Cordray nomination is a referendum on whether public officials will stand with big banks or consumers, US PIRG**,**

Public Citizen**,** The Greenling Institute**,** National Council of La Raza, AFL-CIO, LCCR, The Woodstock Institute, **American Sustainable Business Council** - more than 100 Businesses Urge Senate to Confirm Richard Cordray for CFPB Head**,** NCRC, Maine PIRG, CRL, U.S. Department of the Treasury, Green America, Americans United for Change, AARP, Consumer Action, and Consumers Union.

Click here to view AFR's press statement on the filibuster of the nomination.

Excerpt:

> *"With this morning's vote on General Cordray's nomination to lead the Consumer Financial Protection Bureau (CFPB), Senators faced a choice. Would they stand up for fair rules of the road in the consumer financial marketplace, or would they side with the big Wall Street banks, and the bottom feeders in the lending industry? Unfortunately, 45 Senators chose the latter. With unemployment still above 8.5%, and millions of foreclosures devastating families and communities, they chose to defend the status quo that allowed the deceptive and abusive lending at the heart of the financial crisis to flourish. With people struggling to make ends meet in hard times, they chose to protect payday lenders making 300% 'debt trap' loans. Now they are on the record. We do not think their constituents will be pleased."*

Consumers lose as GOP moves against nominee for new consumer bureau
David Lazarus (LA Times)
December 09, 2011

*"It's their party, and they'll cry if they want to. As expected, Republican senators blocked a vote Thursday on whether to approve President Obama's nominee to head the new Consumer Financial Protection Bureau. It's not that the GOP lawmakers have it out for former Ohio Atty. Gen. Richard Cordray. They say they actually like the guy. No, the Republicans insist they won't approve him — or anyone — until they get Democrats and the president to rewrite the law that created the watchdog agency. They want its leadership made weaker and thus more susceptible to industry lobbying. They also want more control over the agency's purse strings. … A July poll sponsored by **AARP**, **Americans for Financial Reform** and the **Center for Responsible Lending** found that about 63% of Americans favored more government oversight of financial companies, and 74% favored having a single agency focus on protecting consumers from financial organizations. The conclusion is inescapable: Republican lawmakers, who are going into the 2012 election cycle as champions of rule-hating businesses and tax-disliking rich people, do not support consumer protection." Click here for more.*

Despite Defeat, Cordray Lobbying Continues
Andrew Joseph (National Journal)
December 8, 2011

*"Groups working both sides of Richard Cordray's confirmation to head the Consumer Financial Protection Bureau were regrouping and devising new lobbying strategies on Thursday after Senate Republicans blocked the confirmation. Though Thursday's vote was a turning point, both opponents and supporters said they anticipated a much longer fight. Cordray's supporters are now pushing President Obama to circumvent the Senate and make a recess appointment. Opponents are attempting to use the defeat as leverage to weaken the bureau's oversight authority. In addition to pushing a recess appointment, Cordray supporters are planning to publicize the vote in an effort to frame opponents as anti-consumer. 'We now have a list of who's on Main Street's side and who's on Wall Street's side,' said **Public Citizen**'s financial policy advocate **Bartlett Naylor**. 'We've named the names.' Before the vote, more than 200 organizations, led by **Americans for Financial Reform**, sent a letter to senators warning that the CFPB's ability to regulate and protect consumers would be severely restricted without a director. 'In the absence of a director, the CFPB's powers over banks remain broad, but its authority over their non-bank competitors is limited,' the letter said. 'This unlevel playing field serves payday lenders, debt collectors, unaccountable credit reporting agencies, mortgage companies and other non-banks well, making it too easy for them to continue to engage in deceptive and abusive practices.'" Click here for more.* **And click here to view the letter.**

Another Congressional Standoff Leaves Consumers Vulnerable
Martha C. White (Time's Moneyland)
December 8, 2011

*"The Senate will vote Thursday on Richard Cordray's nomination to head the Consumer Financial Protection Bureau. The Senate is scheduled to take a procedural vote concerning the nomination of Richard Cordray to head the Consumer Financial Protection Bureau today, and pundits are predicting failure. A group of 44 Republican Senators have pledged to block not just Cordray but anyone President Obama suggests to run the new agency. The losers in this most recent deadlock are consumers, who will miss out on legal protections the bureau needs a director to implement. Right now, the CFPB has limited authority. It's taking some useful steps, but it's limited in what it can do without a full-time director. Under the guidance of its temporary leader, Raj Date, it can write rules under existing statutes and supervise big banks, says **Lauren Saunders**, managing attorney for the **National Consumer Law Center**. It can also give financial institutions suggestions for making their products and contracts more user-friendly, but it can't mandate their adoption. …One example of a practice that isn't technically deceptive or unfair but likely would be considered abusive would be a situation that played out with unscrupulous mortgage brokers and subprime borrowers during the height of the real-estate frenzy, says **Kathleen Keest**, senior policy counsel at the **Center for Responsible Lending**. A homeowner with a very high interest rate would be offered the chance to refinance at a much better rate. Although they'd possibly be saving hundreds of dollars a month, there was a catch: The rate would only be that low for two years, then it would skyrocket. In this case, the broker could argue that the deal wasn't unfair because the homeowner did save money — even though the terms are what any reasonable person would probably consider a seriously raw deal. …Right now, the CFPB can't do a lot of the things its backers say it should be able to do. 'The prevailing legal opinion is without a director, they can't really look at some of the more abusive non-banks that are out there,' says **Travis Plunkett**, legislative director for the **Consumer Federation of America**, an advocacy group. The CFPB would place student lenders, payday lenders and even credit reporting agencies under federal oversight for the first time." Click here for more.*

Collins, Snowe help block confirmation of Obama's nominee for consumer protection bureau
Eric Russell (Bangor Daily News – ME)
December 8, 2011

"Senate Republicans — including Maine's two senators — voted Thursday in Washington, D.C., to block the confirmation of former Ohio Attorney General Richard Cordray as head of the new Consumer Financial Protection Bureau. … Sen. Snowe explained in a statement why she voted 'present.' 'I voted for the Dodd-Frank Act because the excesses of Wall Street caused the financial collapse that nearly plunged the U.S. economy into a prolonged depression. Clearly, I recognized that we required systemic changes to our nation's financial industry,' she said. 'That legislation created the Consumer Financial Protection Bureau. This new agency will affect thousands of industries, one of which my husband happens to be associated with, which involves student loans. As such, I do not feel it is appropriate to vote on this nomination given the debate on the Senate floor raising questions about the CFPB's role in regulating those industries.'" Click here for more.

CFPB, Democrats See Political Advantage
Kate Davidson (American Banker – subscription required)
December 8, 2011

"Just seven months ago, Democrats appeared to be boxed in, unable to confirm a leader to the Consumer Financial Protection Bureau without agreeing to demands from Senate Republicans to overhaul the agency's structure. While they are still unable to install a director for the agency, the Democrats now appear to be using the stand-off to their political advantage. In an all-out media offensive led by the Obama administration, the Democrats have successfully raised the CFPB's profile and put Republicans on the defensive for the first time since the agency's creation. The issue now appears poised to be part of the 2012 election campaign if Democrats can keep up the pressure. … For an issue that has captivated the financial services world but few others, the flurry of activity appeared to work. On Twitter, which is usually dominated with news about the latest celebrity divorce, the topics "CFPB," "Richard Cordray," and "Senate GOP" were suddenly trending — a term that describes the most popular keywords used on the service. … Some advocates of the CFPB wondered privately why it took the administration so long to embrace the issue, especially when polls indicate broad support for the bureau from a majority of Americans, including Republicans and independents. … But Republicans also appear to be feeling the pressure. During a hearing this week, Shelby pressed a top

Treasury official on whether the administration would negotiate with him and other GOP officials. Deputy Treasury Secretary Neal Wolin suggested Democrats had no intention of cutting a deal. …After months of a unified message from Republicans, meanwhile, Shelby debuted an entirely new argument on Thursday, arguing the CFPB might funnel money to ACORN and liberal groups. 'Other agencies must return to the Treasury funds they receive from enforcement actions. The bureau, however, is allowed to dole out money it collects from fines and penalties to liberal consumer groups,' Shelby said on the Senate floor. 'This reveals why the administration and the majority want so desperately for the bureau to be unaccountable. They want the bureau to be a permanent funding machine for their political allies.'" Click here for more.

Nullification Lives: GOP Blocks Cordray
Jonathan Cohn (The New Republic)
December 8, 2011

"The Senate on Thursday took up the nomination of Richard Cordray, President Obama's choice to lead the new consumer protection board. It did not vote to confirm him. The outcome isn't at all surprising. But it's important to take a step back and understand just what is happening here, because Republicans aren't simply weakening consumer protection. They're also weakening American democracy. ..But that's the way the Senate works today: The majority doesn't rule. The minority does. If you think that's a violation of the spirit, if not the letter, of the U.S. constitution, you are quite right. The document specifies instances when the president needs consent of a super-majority. Appointments like these are not among those instances. But the reality actually even worse than it seems. The senators upholding the filibuster haven't suggested Cordray is unqualified for the job. Rather, they are holding up the nomination because they don't like the agency he would head or the law it is supposed to enforce – the Dodd-Frank Act, which is designed to police the banking and credit card agencies. They've said, explicitly and repeatedly, they will allow a vote on Cordray only if and when the president agrees to changes in the law. I've said this before but it's worth repeating. When a minority of senators use the power to block votes over confirmation in order to undermine a law – a law that they lack the votes (or presidential support) to overturn – that's not the way things are supposed to work in our system. It's the 'normalization of extortion politics,' as Steve Benen of the Washington Monthly *has called it. It's also, as Brookings historian and constitutional expert Thomas Mann once said, a 'modern-day form of nullification.'" Click here for more.*

Republicans Set to Block Obama Nominee for U.S. Consumer Bureau
Carter Dougherty (Bloomberg)
December 6, 2011

*"Republicans say they have the votes to stop consideration of a nominee to head the Consumer Financial Protection Bureau as the Senate moves toward a procedural vote. …Labor and consumer groups including the **AFL-CIO**, **Consumers Union** and the **NAACP** are running radio ads and generating calls to Republican senators, according to an e-mailed statement from **Americans for Financial Reform**, an umbrella group." Click here for more.*

Groups Escalate Fight To Confirm Cordray, President Says "Senators Won't Let Him Do His Job" to Protect Public
Ed Mierzwinski (US PIRG)
December 7, 2011

*"Along with other members of Americans Financial Reform, U.S. PIRG is gearing up support (AFR news release highlights actions, including patchthrough calls, radio ads, other actions) for the expected Thursday vote to confirm Rich Cordray to direct the Consumer Financial Protection Bureau, in the face of relentless opposition from powerful Wall Street firms, other banks and payday lenders who all deny that Wall Street greed caused the second-greatest financial collapse in our history and that something should be done to protect consumers. Part of that something? Creating the CFPB. It's the first financial regulator with only one job: protecting consumers. 45 Republican Senators (the 44 original plus new Senator Dean Heller (R-NV)) have previously claimed in a letter to the President that they will oppose confirmation unless the CFPB is first gutted like a fish at the request of Wall Street. Here is the **radio ad** (popup audio player) U.S. PIRG is running in several states." Click here for more.*

Click here to view AFR's press statement outlining the activities leading up to the cloture vote, including letter of support for General Cordray's nomination with sign ons from more than 200 national, state, and local organizational.

Excerpt:

> *"National, state and local organizations are mobilizing activists around the country around this week's expected vote on the nomination of Richard Cordray to head the Consumer Financial Protection Bureau (CFPB).*
>
> *There is tremendous public support for holding Wall Street accountable, and for ending tricks and traps in the consumer financial marketplace (*click here to view polling data*). With a decision on a strong consumer financial protection bureau once again in front of the Senate, organizations around the country are engaging their members to take action."*

Obama pushes fight for Cordray
Glenn Thrush & Josh Boak (Politico)
December 4, 2011

"President Barack Obama is targeting Red State Republican senators opposed to Richard Cordray's nomination as director of the new Consumer Financial Protection Bureau — part of his larger strategy to portray the GOP as pawns of Wall Street. Cordray, a well-regarded former Democratic Ohio attorney general and five-time Jeopardy! *champion, is likely to be voted down Thursday by a filibuster-proof bloc of GOP senators who don't want anyone at the helm of the watchdog until the agency's powers are restricted." Click here for more.*

White House opens offensive to confirm consumer agency head
Erik Wasson (The Hill)
December 4, 2011

"The White House on Sunday night launched a major offensive to get Richard Cordray confirmed this week as the new head of the Consumer Financial Protection Bureau (CFPB) created by the Dodd-Frank financial reform law enacted last year. White House spokesman Josh Earnest said the White House will be targeting senators from seven states with a media and lobbying offensive. Alaska, Indiana, Iowa, Maine, Nevada, Tennessee and Utah are to be the focus of the administration's efforts." Click here for more.

White House, GOP Fight Over Consumer Bureau
Stacy Kaper (National Journal)
December 6, 2011

*"The White House this week is ratcheting up its attack against Republicans opposed to a new consumer-protection bureau, aiming to paint the GOP as the party of Wall Street ahead of the 2012 elections. But beyond a media blitz targeting GOP senators who might be hurt by the charge that they're being obstructionist, the Obama administration is shy on tools to get its bureau nominee confirmed. ..Consumer advocacy groups praised the administration's strategy to draw attention to the issue now so that voters will have a chance to see which members are fighting against consumers' interests. 'The strategy here from our perspective is put people on the record,' said **Ed Mierzwinski**, the consumer program director for the **U.S. Public Interest Research Group**. 'We'll have to see what happens next year, but we don't think the public is going to support politicians who want to see Wall Street run amok.'*

Richard Cordray op-eds, editorials, letters-to-the-editor

Salt Lake Tribune Editorial - Confirm Cordray
The Salt Lake Tribune editorial
December 8, 2011

"President Barack Obama knew that the recalcitrant Republicans in Congress would never affirm Elizabeth Warren as head of the new Consumer Financial Protection Bureau, even though the bureau was the result of Warren's efforts. Warren is a fierce consumer advocate, Harvard professor and the logical person to run a board whose mission is to protect the interests of consumers. Republicans, however, believe she would have fought too hard for ordinary Americans at the expense of huge financial corporations. So the president nominated former Ohio Attorney General Richard Cordray to lead the agency created by the Dodd-Frank Wall Street reform law. Cordray is more acceptable to Republicans. More than half the state attorneys general support his appointment, including Utah's Mark Shurtleff, a Republican. But Cordray's nomination is being blocked anyway, by Republicans, including Utah Sens. Mike Lee and Orrin Hatch, who simply don't

like the concept of a bureau with authority to oversee practices of mortgage and payday lenders, credit-reporting agencies and big banks that handle student loans." Click here for more.

USA Today Editorial: Confirm consumer protection bureau director
USA Today editorial
December 8, 2011

"Listening to Senate Republicans make the case for weakening the new Consumer Financial Protection Bureau is a little like hearing someone suggest that the solution to bank robberies is to remove security cameras. The consumer bureau, created in the wake of the economic devastation of 2008, is a central part of reforms designed to rein in the bad actors who caused so much misery by writing bad mortgages, creating exotic and dangerous financial products, and otherwise preying on the public. It is specifically charged with preventing financial institutions from marketing deceptive products and forcing them to clearly explain the loans, credit cards, mortgages and other products they do offer." Click here for more.

Editorial: GOP obstructing on federal appointments
The Denver Post
December 9, 2011

"Senate Republicans who have voted to block two key Obama administration appointments in recent days are doing so at their own peril. Outside the Beltway, this doesn't seem like clever politicking or a stand on principle. It looks a lot like calculated obstructionism. It may come as a surprise to federal lawmakers, but the losers in this 'game' aren't the Democrats. It's the people's government, which functions just a little more slowly and inefficiently without the appropriate personnel in place. Ultimately, these maneuvers will boomerang in a way that will disgust the public all over again.On Tuesday, Senate Republicans blocked the confirmation of Caitlin Halligan, a well-qualified candidate for a judgeship on the Washington, D.C., appeals court bench. … The other appointment block, that of Richard Cordray, makes even less sense. The former Ohio attorney general and nominee for a new consumer protection watchdog agency has enjoyed bipartisan praise. His qualifications, however, aren't the issue. Republicans want a do-over on the legislation creating the agency. If that's the goal, then they ought to get a bill passed. Elections have consequences, and one of them is the people in power get to run the government. Republican lawmakers need to consider presidential appointees on their merits and stop the shenanigans. They're not fooling anyone, particularly not the American people." Click here for more.

WI PIRG op-ed - Senate can stand up for consumers
Bruce Speight (Journal Sentinel - WI)
December 7, 2011

"Deceptive and abusive mortgage lending was a fundamental cause of the financial crisis and of the worst recession since the Great Depression. Year in and year out, tricks and traps on credit cards, student loans, overdraft fees and more cost working families tens of billions of dollars. In response, we fought for and won a new consumer bureau so that consumers can have a cop on the beat, with fair play and the public interest as its first priority. On July 21, the Consumer Financial Protection Bureau, or CFPB - the first ever agency with the sole mission of policing the consumer financial markets and preventing abusive, deceptive and discriminatory lending - opened its doors. Unfortunately, big Wall Street banks, other powerful financial industry special interests and their allies in Congress are still fighting the very idea of a bureau. They have been blocking the appointment of a director for the bureau to keep it from being able to fully do its job. … Bruce Speight is director of WISPIRG, the Wisconsin Public Interest Research Group." Click here for more.

Warren op-ed - Where is Wall Street accountability?
Elizabeth Warren
December 7, 2011

"The law applies to everyone. Wall Street protesters should be held accountable if they engage in illegal activity — and so should Wall Street banks. There is no excuse for protesters to violate public safety laws — and no excuse for powerful financial institutions to defraud their customers or investors. Yet for all the talk about accountability, there has been little action when it comes to holding large financial institutions accountable for breaking the law. …It has been more than three years since the greatest financial crisis in three generations. It is past time that we stop talking about accountability and start demanding it from those who broke the system. Fighting for the middle class means more than talk. It means across-the-board,

consistent accountability for anyone who breaks the law — no matter where they work or who their friends are. *Click here for more.*

NFHA op-ed - Vincent Curry and Deborah Goldberg: Missing at the new Consumer Finance Protection Bureau
Vincent Curry and Deborah Goldberg (Akron Beacon)
December 4, 2011

"More than 2.7 millions Americans who received mortgage loans between 2004 and 2008 have lost their homes to foreclosure. In Ohio, more than 99,000 residents who got mortgages during that period have lost their homes, according to the Center for Responsible Lending. More than 127,000 Ohio families are more than 60 days late on their payments and are at serious risk of foreclosure. That's why the Buckeye state is sending out an all-points bulletin for protection against abusive practices in the financial marketplace. Research shows that these high foreclosure rates are more a function of the risky features of the loans that were made than any characteristics of the borrower. Our nation and this state face problems in the current housing market because of a failure of banking regulators to prevent banks from offering risky loans that were doomed from the start. So far, many, though not all, Senate Republicans have sided with Big Banks instead of consumers. ***Curry is the executive director of the Fair Housing Advocates Association in Akron and Goldberg is the special projects director for the National Fair Housing Alliance****."* *Click here for more.*

Sherrod Brown op-ed - For Richard Cordray, CFPB, the time is now
Politico op-ed
December 6, 2011

"If you look at Wall Street profits, it's hard to believe that just three years ago, these banks were on the verge of collapse — threatening to take our entire economy down with them. Now, banking industry profits have returned to pre-crisis levels — with more than $35 billion in the third quarter, a nearly 50 percent increase over the past year and the highest level for profits since 2007. While Wall Street is back to business as usual, Main Street Americans — many of whom lost their homes, their pensions and their jobs because of reckless Wall Street practices — haven't been so lucky." *Click here for more.*

Sen. Hagan - Don't Filibuster Cordray
Sen. Kay R. Hagan, (D-NC) (Huffington Post)
December 8, 2011

"It has to stop. For too long, Americans have fallen victim to financial abuses at the hands of predatory lenders that operate in the shadows. The Consumer Financial Protection Bureau (CFPB) was created to protect consumers. But Republicans are planning to filibuster the confirmation of Richard Cordray as the director of the CFPB, effectively neutralizing the bureau's power to protect consumers. North Carolina is home to some of the largest financial institutions in the country, and a vibrant network of community banks. We're a banking state, and we're proud of that distinction. But we also understand that responsible financial regulation protects consumers and businesses. That's why I supported creating the CFPB, and that's why I believe we must have a director in place to ensure the CFPB can be as effective as possible." *Click here for more.*

Arkush - White House, Senate Democrats Turn Up the Heat on Cordray Nomination to Head New Consumer Agency
David Arkush (Huffington Post)
December 6, 2011

"This week, the White House and Senate Democrats launched a new campaign in the long fight over leadership for the Consumer Financial Protection Bureau (CFPB). The Senate will likely vote on Thursday, December 8 whether to hold an up-or-down vote on President Obama's nomination of former Ohio attorney general Rich Cordray. In a striking display of allegiance with big banks against the American people, Senate Republicans are poised to block the nomination. Last May, 44 Republican senators vowed to block any director of the CFPB unless the agency is substantially weakened." *Click here for more.*

Goehl - Brian Moynihan Should Cut Ties With Payday Lenders
George Goehl (NPA – Huffington Post)
December 8, 2011

"Today, Senate Republicans blocked a vote to confirm Richard Cordray as head of the Consumer Financial Protection Bureau. This signals a victory for big banks, the 1%, and corporate money in our political system. Cordray's confirmation would have been a threat to business as usual for the big banks because we would have a leader who could put an end to the kinds of predatory practices that drove our economy to the brink of collapse. If any bank represents the need to have a regulator in place that protects people on consumer financial issues, it's Bank of America. Whether their $35 overdraft fees, foreclosing on more families than any other bank in the country, or a recent failed attempt to institute a $5 a month fee on debit card holders, America's bank has become a symbol for all that is wrong with the financial sector." Click here for more.

LTE - Disappointing vote from Ayotte
Addie E. Shankle, Concord (For the Monitor)
December 12, 2011

"On Thursday the U.S. Senate should have voted to confirm Richard Cordray as the head of the new Consumer Financial Protection Bureau. Instead, the vote was filibustered by a minority of senators, including our own Kelly Ayotte. This is bad news for New Hampshire consumers. The CFPB was designed in response to the 2008 financial meltdown. Its mission is to ensure that Wall Street bankers can never again create the chaos that brought our economy to the brink of collapse in 2008. … The changes Ayotte supports were proposed by Wall Street insiders and are supported by Republican congressional leadership, but they are bad for any Granite Stater who holds a mortgage or wants to own a home, has student loans or carries a credit card." Click here for more.

Consumer Issues

CFPB Simplifying Credit Card 'Fine Print'
Jeanine Skowronski (The Street)
December 8, 2011

"The Consumer Financial Protection Bureau debuted a prototype for credit card agreements Wednesday. The two-page form is intended to simplify credit card contracts so prices, risks and terms are easier for consumers to understand. The agreements follow the CFPB's release of a report on credit card complaints revealing that consumer confusion persists when it comes to the terms and conditions of credit card contracts and associated products such as debt protection services." Click here for more.

Credit Card Confusion: CFPB Developing Simpler Credit Card Form
Jillian Berman (Huffington Post)
December 7, 2011

"Imagine a credit card agreement that's short, to the point and easy to understand. If one federal agency gets its way, what you're picturing could become a reality. The Consumer Financial Protection Bureau launched a campaign aimed at simplifying credit card agreements Wednesday. The agency is asking the public for feedback on a more transparent credit card form that is broken down into three sections -- costs, changes and additional information -- and features information high up on fees, interest rates and other information." Click here for more.

Consumer bureau introduces 2-page credit card agreement: Plain Dealing
Sheryl Harris (The Plain Dealer – OH)
December 7, 2011

"In another blow against fine print, the Consumer Financial Protection Bureau comes to Cleveland today to unveil a new model credit card agreement that's shorter and easier to read. The new form whittles credit disclosures, which average about 5,000 words, to 1,000 words contained in a slim two pages of readable type." Click here for more.

Click here to view the CFPB's press release about simplifying credit card agreements so that the prices, risks, and terms are easier for consumers to understand.

Petrasic - CFPB Ratchets Up Consumer Complaint Surveillance
Kevin L. Petrasic (Huffington Post)
December 8, 2011

"As the CFPB continues the process of ramping up its supervisory operations and consumer protection programs, emerging is a unique brand of consumer complaint supervision highlighting the special emphasis and approach in how the CFPB is pursuing its consumer financial protection mission. This was recently highlighted in separate initiatives of the new agency's Consumer Response complaint system addressing two of the areas in which the agency is expected to be the most active. The first involves the agency's announcement that it is beginning to process mortgage-related complaints through the Consumer Response system. The second relates to an interim report issued by the CFPB on its first three months of activity collecting data on consumer credit card complaints." Click here for more.

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Shadow Markets and Systemic Risk

Consumer groups warn about weakening financial regulations
Tim Darragh (The Morning Call – PA)
December 6, 2011

*"A team of consumer groups warned Tuesday that lobbying by Wall Street could weaken proposed regulations designed to guard against the kind of abusive investment practices that crushed the Bethlehem Area School District in recent years. Speaking at a teleconference, representatives of the Consumer Federation of America, the AFL-CIO, **Americans for Financial Reform** and Pennsylvania Auditor General Jack Wagner said well-financed lobbies are working to disarm regulations initially designed to rein them in. In some cases, the consumer groups said, opponents of stronger limitations on the use of derivatives by local governments want to make it too easy for the financially overmatched local agencies to sign away their protections." Click here for more.*

First Look: Dems to Call for Full CFTC Funding
Ben White (Politico's Morning Money)
December 8, 2011

"Per release out later today: 'With the former head of the now-defunct MF Global set to testify on Capitol Hill today, Reps. Rosa DeLauro (D-Conn.), Peter Welch (D-Vt.) and Leonard Boswell (D-Iowa) are introducing legislation to fully fund the [CFTC] so it can regulate the risky financial transactions that contributed to the 2008 financial crisis, the recent collapse of MF Global and the speculation-driven rise in energy prices. The Wall Street Accountability through Sustainable Funding Act will create a stable, sustainable funding mechanism for the CFTC. ... Its FY2012 budget was cut by 33% and further cuts would occur under the scheduled budget sequestration.'"

Bloomberg News Responds to Bernanke Criticism
Bloomberg News
December 6, 2011

"Federal Reserve Chairman Ben S. Bernanke said in a letter to four senior lawmakers today that recent news articles about the central bank's emergency lending programs contained 'egregious errors.' While Bernanke's letter and an accompanying four-page staff memo posted on the Fed's website didn't mention any news organizations by name, Bloomberg News has published a series of articles this year examining the bailout. The latest, 'Secret Fed Loans Gave Banks $13 Billion Undisclosed to Congress,' appeared Nov. 28. 'Bloomberg stands by its reporting,' said Matthew Winkler, editor-in-chief of Bloomberg News." Click here for more.

U.S. Studies Derivatives That 'Game' Tax Rules
Richard Rubin *(Bloomberg)*
December 6, 2011

"U.S. lawmakers seeking to overhaul the Internal Revenue Code are examining how derivatives and other financial products can be used to exploit the tax system. Financial instruments, including exchange-traded

notes and options, are susceptible to manipulation, according to a report by the nonpartisan Joint Committee on Taxation. Taxpayers can structure transactions to defer income, accelerate deductible losses and take advantage of lower capital gains rates." Click here for more.

Click here to view/read testimony and speeches from the CFTC's open meeting on Monday, December 5th.

Click here to view/read testimony from the Senate Banking Committee hearing entitled, "Continued Oversight of the Implementation of the Wall Street Reform Act".

Click here to view/read testimony from the Senate Banking Committee hearing entitled "Enhanced Supervision: A New Regime for Regulating Large, Complex Financial Institutions."

Volcker Rule

Bair - We need a new Volcker rule for banks
Sheila Bair, contributor (Fortune)
December 9, 2011

"Financial reformers are pointing to the collapse of the $41 billion MF Global brokerage house as evidence of why we need Dodd-Frank's "Volcker Rule" to prohibit FDIC-insured banks and their affiliates from making proprietary bets on the markets. Fortunately, MF Global was not a bank or bank affiliate, and its failure has not cost taxpayers a dime. And I, for one, am very happy to see a major, well-connected market player eat its losses (while being equally dismayed by the apparent regulatory lapses that have let hundreds of millions in customer money go missing). But what if MF Global had been an FDIC bank? Would the Volcker Rule have protected the government purse? Well, it's not clear." Click here for more.

MF Global

Corzine Rebuffed Internal Warnings on Risks
Aaron Lucchetti and Julie Steinberg (WSJ – subscription required)
December 6, 2011

"MF Global Holdings Ltd.'s executive in charge of controlling risks raised serious concerns several times last year to directors at the securities firm about the growing bet on European bonds by his boss, Jon S. Corzine, people familiar with the matter said. The board allowed the company's exposure to troubled European sovereign debt to swell from about $1.5 billion in late 2010 to $6.3 billion shortly before MF Global tumbled into bankruptcy Oct. 31, these people said. The executive who challenged Mr. Corzine resigned in March." Click here for more.

Congress turns up heat on CFTC, MF Global's Corzine
Dave Clarke and Sarah N. Lynch (Reuters)
December 6, 2011

"Lawmakers examining the collapse of MF Global skewered the top U.S. futures regulator for sitting out his agency's probe of the bankrupt brokerage, whose former chief executive, Jon Corzine, is due to face his own drubbing later this week. Republican senators accused Commodity Futures Trading Commission Chairman Gary Gensler of 'ducking' his responsibilities by recusing himself from an examination of MF Global." Click here for more.

MF Global and the great Wall St re-hypothecation scandal
Christopher Elias (UK)
December 7, 2011

"A legal loophole in international brokerage regulations means that few, if any, clients of MF Global are likely to get their money back. Although details of the drama are still unfolding, it appears that MF Global and some of its Wall Street counterparts have been actively and aggressively circumventing U.S. securities rules at the expense (quite literally) of their clients. MF Global's bankruptcy revelations concerning missing client money suggest that funds were not inadvertently misplaced or gobbled up in MF's dying hours, but were instead appropriated as part of a mass Wall St manipulation of brokerage rules that allowed for the wholesale acquisition and sale of client funds through re-hypothecation. A loophole appears to have allowed MF Global,

and many others, to use its own clients' funds to finance an enormous $6.2 billion Eurozone repo bet. If anyone thought that you couldn't have your cake and eat it too in the world of finance, MF Global shows how you can have your cake, eat it, eat someone else's cake and then let your clients pick up the bill. Hard cheese for many as their dough goes missing." Click here for more.

Corzine Defends His Actions at MF Global
Ben Protess (DealBook/NYT)
December 8, 2011

"Jon S. Corzine, who came to Washington in 2001 as a Democratic senator from New Jersey, made a humbling return on Thursday, defending his tenure as MF Global's top executive and sounding a note of contrition about the brokerage firm's startling collapse. Mr. Corzine told the House Agriculture Committee that he was 'stunned' when he learned late on Oct. 30 that about $1 billion of customer money could not be located, a discovery that thwarted a sale of the firm and led to its filing for bankruptcy. Regulators and the Federal Bureau of Investigation are now hunting for the money and examining potential wrongdoing at the firm. Thursday's testimony was his first public comments since the bankruptcy and came after the committee voted last week to subpoena him. The former senator insisted that he always tried to 'do the right thing.'" Click here for more.

Click here to view/read testimony from the House Committee on Agriculture hearing entitled "Examination of MF Global bankruptcy"

International

S&P move piles pressure on euro zone assets
Richard Hubbard (Reuters)
December 6, 2011

"European stocks and the euro slid and most bond yields rose after the threat from rating agency Standard & Poor's to downgrade euro zone countries en masse if no credible plan to solve the debt crisis emerges at a summit later this week." Click here for more.

France vows powerful summit deal
Jean-Baptiste Vey and Annika Breidthardt (Reuters)
December 7, 2011

"The leaders of France and Germany will not leave this week's EU summit until a "powerful" deal is reached to arrest the euro zone debt crisis, Paris said on Wednesday, as new figures exposed ever more severe stress among Europe's banks. French President Nicolas Sarkozy and German Chancellor Angela Merkel will lay out a plan at Friday's European Union summit to impose mandatory penalties on euro states that exceed deficit targets, aiming to restore market trust and prevent the region's debt crisis spiraling out of control." Click here for more.

Commodity Speculation

Feeding the Financial Hype - New SOMO report about negative consequences of food speculation
Stichting Onderzoek Multinationale Ondernemingen: The Centre for Research on Multinational Corporations
November 2011

"SOMO released a new report, Feeding the Financial Hype, that highlights the growing evidence that dramatically increased financial investments in commodity derivatives markets over recent years have caused food prices to soar. This has a negative impact on the poorest people, who spend up to 80 percent of their income on food. SOMO calls on European governments to respect the precautionary principle enshrined in the Lisbon Treaty and to act decisively to bring back financial speculation in commodity derivatives markets. The European Parliament currently has an opportunity to do just this by strengthening the proposed Markets in Financial Instruments Directive and Regulation (MiFID and MiFIR). The SOMO report can be downloaded at: http://somo.nl/publications-en/Publication_3726"

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Foreclosures and Housing

NY Fed: House flippers contributed to bust and boom
Kerri Panchuk (HousingWire)
December 8, 2011

"Four years after the housing bust, researchers at the Federal Reserve Bank of New York are putting some of the blame on real estate speculators, saying they played a key role in blowing up the housing bubble that eventually popped, causing home prices to tumble nationwide. In a report titled 'Flip This House: Investor Speculation and the Housing Bubble,' four researchers claim borrowers who owned multiple homes for investment purposes played a key role in running up national home values right before the 2007 housing meltdown. Click here for more.

Treasury warns Chase of permanent HAMP withholdings
Jon Prior (HousingWire)
December 7, 2011

*"The **Treasury Department** will withhold Home Affordable Modification Program payments from **JPMorgan Chase** (JPM: 34.13 +2.71%) and **Bank of America** (BAC: 5.88 +1.73%) for the third straight quarter. According to a third-quarter assessment of the mortgage servicers participating in HAMP, the Treasury found Chase was the only firm 'in need of substantial improvement under the program' and has not yet addressed problems the Treasury found in previous quarters. The Treasury said it would "permanently reduce" payments owed to Chase unless its problems are fixed in time for the first quarter of 2012. According to the results, Chase was found to regularly miscalculate the income of homeowners. Furthermore, the lender failed to contact borrowers effectively and committed numerous errors in delivering HAMP progress reports to the Treasury." Click here for more.*

Sucher - Putting Faces to the Foreclosed Brings the Misery Home
Joel Sucher (American Banker – subscription required)
December 6, 2011

"Back in May of 2007 my company started working on a documentary, 'Foreclosure Diaries,' detailing a crisis that was only beginning to make itself felt. We spent time in what was then the epicenter of the foreclosure crisis; a devastated neighborhood in Cleveland known as Slavic Village. Stripped bare of habitable housing, this once bustling blue collar area was an eerie tableaux of vacant, ramshackle homes; allowed to deteriorate by outside investors who had bought and sold foreclosures, en masse, aiming to profit from a quick flip to other sets of investors; all to feed the endless appetite of Wall Street's securitization magog." Click here for more.

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Executive Compensation

Modest Bonus Year on Wall St., but Stock Could Yield Fortunes
Susanne Craig (DealBook/NYT)
December 3, 2011

"Buffeted by lackluster profits and turmoil in the global markets, Wall Street is bracing for one of the worst bonus seasons in recent memory. But in the alchemy of high finance, bankers are hoping to turn the slump to their advantage. Financial firms are preparing to dole out huge amounts of stock at depressed prices, the value of which could rise substantially in a few years. 'This year is the perfect situation where they can say it is a modest bonus season, but in the end, it could end up making many of them zillionaires,' said Jonathan R. Macey, a professor of corporate law and finance at Yale. 'Not all banks may do well in the long run, but most will." Click here for more.

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Student Lending

GAO Report Rejects For-Profit College Industry's Excuse for Poor Student Success Rates
Press Release
December 7, 2011

"Senators Tom Harkin (D-IA) and Richard Durbin (D-IL) announced that a new [Government Accountability Office (GAO) report] debunks the for-profit college industry's longtime excuse for poor student success rates at their schools: that they enroll students whose socioeconomic status and other characteristics make them 'high-risk.' Today's GAO report, which compares student success rates at for-profit, nonprofit, and public colleges, controlled for those characteristics and found that overall, for-profit college students still have lower success rates." *Click here for more.*

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FTT

Tiny Tax on Financial Trades Gains Advocates
Steven Greenhouse and Graham Bowley (NYT)
December 6, 2011

"They call it the Robin Hood tax — a tiny levy on trades in the financial markets that would take money from the banks and give it to the world's poor. And like the mythical hero of Sherwood Forest, it is beginning to capture the public's imagination. Driven by populist anger at bankers as well as government needs for more revenue, the idea of a tax on trades of stocks, bonds and other financial instruments has attracted an array of influential champions, including the leaders of France and Germany, the billionaire philanthropists Bill Gates and George Soros, the consumer activist Ralph Nader, Pope Benedict XVI and the archbishop of Canterbury. 'We all agree that a financial transaction tax would be the right signal to show that we have understood that financial markets have to contribute their share to the recovery of economies,' the chancellor of Germany, Angela Merkel, told her parliament recently. *Click here for more.*

Šemeta - Europe ready to lead on transactions tax
Algirdas Šemeta (for the Hill)
December 1, 2011

"The discussion on the financial transactions tax at the recent Group of 20 Summit in Cannes, France, gave me cause for optimism. True, there was not the agreement on global implementation that we Europeans, and others, had hoped for. Nonetheless, there was a visible shift in attitude among world leaders to the idea of this tax. We saw an unprecedented openness to at least discussing the financial transactions tax as a very viable option. This change in approach can be seen, perhaps, as true democracy at work. World leaders could not ignore the millions of ordinary citizens who are crying out for justice when it comes to the financial sector. … Šemeta is European Union commissioner for taxation, customs union, anti-fraud and audit." *Click here for more.*

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Interchange

Debit-Fee Cap Has Nasty Side Effect
Robin Sidel (WSJ – subscription required)
December 8, 2011

"Jason Scherr had a lot on his mind the day after he opened his fifth Think Coffee shop in Manhattan last week. The fan was blowing too hard, the classical music was playing a little too loudly—and he was trying to figure out how to get more customers to pay with cash. Manhattan coffee-shop owner Jason Scherr says his debit-card fees are higher since the Dodd-Frank law. A new law that was supposed to reduce costs for merchants that accept debit cards has instead sent Mr. Scherr's monthly processing bills much higher and

forced him to reassess the way he does business.'My choice is to raise prices, discount for cash or get an ATM,' says Mr. Scherr, a lawyer who has been in the coffee-shop business for more than a decade." [Click here for more.](#)

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Credit Ratings Agencies

A Would-Be Ratings Agency Without Rose-Colored Glasses
William Alden (DealBook/NYT)
December 8, 2011

"Credit ratings agencies have few friends on Wall Street or in Washington. Politicians have pilloried them for bestowing top marks on risky mortgage investments. Big investors have accused them of missing the problems with subprime loans. And regulators have been writing rules to diminish the importance of their ratings. But Ann E. Rutledge and Sylvain R. Raynes, two veteran credit analysts who founded R&R Consulting, think it is an ideal time to enter the industry. After more than a decade of running their own firm, they are applying to be officially recognized by the government as a credit ratings agency. They aim to inject a dose of reality into an industry that they say has been clouded by a desire to please clients." [Click here for more.](#)

Other

Bank of America's Merrill Unit in Mortgage Settlement
AP
December 6, 2011

"[Bank of America](#) has agreed to pay $315 million to settle claims by investors that they were misled about mortgage-backed investments sold by its Merrill Lynch unit. The settlement was disclosed in court papers filed late Monday in Federal District Court in Manhattan. It is subject to approval by a judge. The lawsuit, a class action, was led by the pension fund of the Public Employees' Retirement System of Mississippi. The fund said the investments had been backed by poor-quality mortgages written by the subprime lenders Countrywide Financial, First Franklin Financial and IndyMac Bancorp, a bank that failed in 2008." [Click here for more.](#)

Congress Discusses Enacting Stricter Insider-Trading Laws
Bloomberg News
December 6, 2011

"Democrats and Republicans on the House Financial Services Committee on Tuesday advocated new restrictions on insider trading to help lift waning public trust in Congress. Previous efforts to pass restrictions on insider trading have not advanced in Congress. The issue re-emerged after [a report last month by the CBS News program '60 Minutes,'](#) which said members of Congress bought stock in companies during debates on legislation that might affect the businesses." [Click here for more.](#)

Financial Crimes Bedevil Prosecutors
Jean Eaglesham (WSJ – subscription required)
December 6, 2011

"A former top U.S. official in charge of investigating the financial crisis said the government has concluded that many inquiries of wrongdoing by financial executives can't succeed as criminal prosecutions. 'There's been a realization and a more deliberate targeting by the Department of Justice before we launch criminally on some of these cases' said David Cardona, who was a deputy assistant director at the Federal Bureau of Investigation until he left last month for a job at the Securities and Exchange Commission. The Justice Department has decided it is "better left to regulators" to take civil-enforcement action on those cases…" [Click here for more.](#)

K Street, Wall Street line up behind Sen. Scott Brown in his race against Elizabeth Warren
Peter H. Stone (Center for Public Integrity)
December 2, 2011

"Sen. Scott Brown's campaign and his political action committee are hustling for millions of dollars from K Street lobbyists and Wall Street interests to keep the Massachusetts seat of iconic Democrat Edward M. Kennedy in Republican hands." Click here for more.

It's Tone, Not Taxes, a Tycoon Tells the President
Andrew Ross Sorkin (DealBook/NYT)
December 6, 2011

"Leon Cooperman, a 68-year-old Wall Street veteran, says he is for higher taxes on the wealthy. He'd happily give up his Social Security checks. He voted for Al Gore in 2000. He says the special treatment of investment gains, or so-called carried interest, for private equity and hedge fund managers is 'ridiculous.' He says he even sympathizes, at least to some extent, with the Occupy Wall Street protesters. And yet, Mr. Cooperman, a man with a rags-to-riches background who worked at Goldman Sachs for more than 25 years in the 1970s and 1980s before starting his own hedge fund, Omega Advisors, which has minted him an estimated $1.8 billion fortune, is waging a campaign against President Obama. Last week, in a widely circulated 'open letter' to President Obama that whizzed around e-mail inboxes of Wall Street and corporate America, Mr. Cooperman argued that 'the divisive, polarizing tone of your rhetoric is cleaving a widening gulf, at this point as much visceral as philosophical, between the downtrodden and those best positioned to help them.'" Click here for more.

Citigroup to Lay Off 4,500 Workers
Eric Dash (NYT)
December 6, 2011

"Facing stalling growth prospects around the globe, Citigroup's chief executive, Vikram S. Pandit, said on Tuesday that the bank would lay off 4,500 workers in the coming months. Citi will also take a $400 million charge in the fourth quarter to cover the severance and other costs related to the downsizing effort, which will reduce the bank's work force by about 2 percent, to 262,500 employees. Citi now has roughly 100,000 fewer employees than it did at the end of 2007, before the worst of the financial crisis." Click here for more.

The Wild West of Finance
Adam Davidson (NYT)
December 7, 2011

"Human beings, at heart, are wild animals in love with the thrill of the hunt. I can prove it merely by pointing to the existence of the exchange-traded fund FAZ, which one friend calls 'day trader's crack.' For most of us, the stock market has been moving far too much, far too quickly. For those who buy FAZ, though, that speed is not fast enough. Known formally as the Direxion Russell 1000 Financials Bearish 3X ETF, FAZ follows the gyrations of some of the most twitchy stocks, like banks, insurance companies and real estate firms. As an exchange-traded fund, it takes a security made up of a bunch of underlying assets and makes it behave like a stock. Investors can buy and sell FAZ, moment by moment, to try to grab quick wins. But FAZ is not a simple basket of financial stocks. It's composed of odd derivatives and loans that are designed to reverse financial stocks — to go up when they go down and vice versa — and triple *gains or losses. It is designed for gunslinger day trading, as investors try to profit by predicting how the market will act in short bursts." Click here for more.*

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Upcoming Events

SEC

No pertinent meetings scheduled as of 12/13/11

CFTC

No pertinent meetings scheduled as of 12/13/11

Capitol Hill

House

House Committee on Financial Services

Hearing entitled "The Collapse of MF Global"
Oversight and Investigations
December 15, 2011 1:00 PM in HVC-210 the Capitol

Hearing entitled "H.R. 3606, the "Reopening American Capital Markets to Emerging Growth Companies Act of 2011"
Capital Markets and Government Sponsored Enterprises
December 15, 2011 9:30 AM in HVC-210 the Capitol

House Small Business Committee

No pertinent hearings/markups scheduled as of 12/13/11

Subcommittee on Investigations, Oversight and Regulations

No pertinent hearings/markups scheduled as of 12/13/11

House Committee on Agriculture

No pertinent hearings/markups scheduled as of 12/13/11

Committee on Oversight and Government Reform

No pertinent hearings/markups scheduled as of 12/13/11

Subcommittee on TARP, Financial Services and Bailouts of Public and Private Programs

December 15, 2011
"What the Euro Crisis Means for Taxpayers and the U.S. Economy, Pt. 1"

December 16, 2011
"What the Euro Crisis Means for Taxpayers and the U.S. Economy, Pt. 2"

Senate

Senate Banking, Housing, and Urban Affairs Committee

December 13th

Helping Homeowners Harmed by Foreclosures: Ensuring Accountability and Transparency in Foreclosure Reviews
538 Dirksen Senate Office Building
2:30 PM - 4:30 PM

December 13th

Oversight of FHFA Part II
538 Dirksen Senate Office Building
10:00 AM - 12:00 PM

December 14th

Examining Investor Risks in Capital Raising
538 Dirksen Senate Office Building
9:30 AM - 11:30 AM

Senate Committee on Finance

No pertinent hearings/markups scheduled as of 12/13/11

Senate Committee on Agriculture, Nutrition and Forestry

Investigative Hearing on the MF Global Bankruptcy (Full Committee Hearing) Add to my Calendar
216 Hart Senate Office Building
December 13, 2011
09:00AM