AMERICANS FOR FINANCIAL REFORM
ACCOUNTABILITY • FAIRNESS • SECURITY

THIS WEEK IN WALL STREET REFORM

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JOBS Act and Investor Protection

AFR and CFA Letter: Oppose Anti-Investor "Capital Formation" Bills (JOBS Act)

[Click here](#) to view the letter sent (March 5th) by AFR and CFA to Senators Johnson and Shelby detailing our concerns about the various "capital formation" bills, recently repackaged as the JOBS Act. We warned that the bills, as drafted, threaten to undermine regulations vital to protecting investors and the integrity of the capital markets, and we urged the Senate to revise the bill to restore important protections.

AFR and CFA Letter: Support the Reed-Landrieu-Levin Amendment to the JOBS Act

[Click here](#) to view the letter sent by AFR and CFA to the Senate, urging Senators to support the Reed-Landrieu-Levin amendment which addresses many of the concerns that we have with the House JOBS Act, which the Senate has taken up.

[Click here](#) to view the letter from the Coalition for Sensible Safeguards.

Job-Creation Bill Seen Eviscerating U.S. Shareholder Protections
Jesse Hamilton and Phil Mattingly (Bloomberg)
March 13, 2012

*"U.S. legislation that would roll back securities disclosure and governance rules in the name of [job creation](#) is being attacked by consumer advocates and former regulators as an evisceration of investor protections in place since the 1930s. The package of bills awaiting Senate action after receiving broad bipartisan support in a House vote last week would destroy safeguards dating as far back as the laws that created the Securities and Exchange Commission, according to Lynn E. Turner, a former SEC chief accountant. "It won't create jobs, but it will simplify fraud,"Turner said in an interview last week. 'This would be better known as the bucket-shop and penny-stock fraud reauthorization act of 2012,' he said, referring to practices banned under [securities law](#). … Opponents, including former SEC Chairman [Arthur Levitt](#) and [Barbara Roper](#), director of investor protection for the **Consumer Federation of America**, say the approach is wrong-headed because it will hurt investors without achieving the stated goal. 'You don't increase jobs growth by rolling back regulatory protections, and it's frankly bewildering that the Democrats have been so willing to buy into the traditional Republican argument,' Roper said in an interview. ." [Click here for more.](#)*

Crowdfunding Proposal Hits Snag
Eliza Newlin Carney (Roll Call)
March 15, 2012

*"As the Senate prepares to take up the House-passed Jumpstart Our Business Startups Act, a popular proposal to free up capital through 'crowdfunding' has pitted consumer advocates against entrepreneurs. The idea behind crowdfunding is simple: Instead of going to a bank for loan, a startup or small company seeking capital makes an 'open call' to a community of potential small donors who pool their resources, typically on the Internet. President Barack Obama touted the power of crowdfunding in his American Jobs Act last year and in his legislative agenda last month. Support for the concept has come from such strange bedfellows as Silicon Valley executives, artistic nonprofits, the U.S. Chamber of Commerce and associations representing self-employed, female, minority and small-business owners. …But consumer advocates, watchdog groups and some economists are raising alarms. Taken together, the JOBS Act's various provisions represent a dramatic rollback of financial regulations that date back to the Great Depression, they argue. It would reverse protections enacted with the Dodd-Frank financial reforms, some warn. 'We're all for channeling capital to small businesses,' said Marcus Stanley, policy director of **Americans for Financial Reform**. 'At the same time, we have banks for a reason, as opposed to people standing on the street corner taking shares in companies. So you've got to strike a balance.' Columbia University law professor John Coffee Jr. testified on Capitol Hill in December that rolling back SEC registration and disclosure requirements for companies seeking crowdfunding invites what's known as 'boiler room' fraud, in which scam artists create phantom companies and solicit investors by phone, email and other means. Even some advocates of crowdfunding warn that the JOBS Act should not become a vehicle for throwing out too many SEC regulations. 'We're concerned about deregulating the process too much,' Knapp said. 'For those who want to raise a great deal of money, there have to be safeguards for the consumer.' The **American Sustainable Business Council** wrote to Senate leaders Wednesday to endorse an alternative crowdfunding bill introduced by Sen. Jeff Merkley (D-Ore.). Co-sponsored by Sens. Michael Bennet (D-*

Colo.), Scott Brown (R-Mass.) and Mary Landrieu (D-La.), the bill includes tougher rules than those in the House JOBS Act, such as stronger disclosure rules and a registration requirement for Internet crowdfunding sites." [Click here for more.]

Dems object to House JOBS Act
Seung Min Kim (Politico)
March 15, 2012

"A chorus of Democratic senators is raising objections to a bill designed to help small businesses – throwing bumps in the road to passage of the legislation that had sailed through the GOP-led House and won President Barack Obama's endorsement. The Democratic lawmakers warned that the House bill would loosen financial oversight so much that it would weaken safeguards for consumers and investors, even potentially triggering another economic crisis or Enron-style scandal. 'The idea that it could succeed without the opportunity to put back protections for consumers to me is incredible,' Sen. Carl Levin (D-Mich.) said Thursday. 'I am frankly stunned by the speed with which these special interest folks representing very powerful interests in this country have been able to move this bill through the House, and we're going to try to see if we can't build in some protections in the Senate.'" Click here for more.

Democrats Unhappy With JOBS Act Trajectory
Humberto Sanchez (Roll Call)
March 15, 2012

"To the chagrin of some Democrats, Senate Majority Leader Harry Reid (D-Nev.) today moved to limit amendments on a House-passed JOBS Act and set up two procedural votes for Tuesday — the only amendments expected to be offered to the measure. 'I am very concerned about that,' said Sen. Jeff Merkley (D-Ore.), who fears a provision in the House bill allowing startup companies to raise capital on the Internet opens up investors to potential stock scams." Click here for more.

Pressure on the Senate
Ben White (Politico's Morning Money
March 16, 2012

*"A coalition of prominent CEOs including the heads of the NYSE and Nasdaq wrote to the Senate urging passage of a bill closely tracing the JOBS Act. From the letter: 'While we do not believe there is one silver bullet to solve the capital markets crisis, progress in the right direction can and must be made. Allowing smaller companies access to the public markets with some measure of relief from many of the regulatory burdens intended for larger entities, will help pave the path towards more IPOs and ultimately more U.S. jobs. The proposals contained in the JOBS Act support that principle.' Full letter: http://bit.ly/w2pHzr" and "**SCHAPIRO LETTER** - SEC Chairman Mary Schapiro wrote to the Senate Banking Committee leadership urging certain changes in the JOBS Act. Full letter: http://bit.ly/FOKw3V"*

NYT editorial: They Have Very Short Memories
NYT editorial
March 10, 2012

"House Republicans, Senate Democrats and President Obama have found something they can all support: a terrible package of bills that would undo essential investor protections, reduce market transparency and distort the efficient allocation of capital. Of course, supporters don't describe it that way. They say the JOBS Act — for Jumpstart our Business Startups — would remove burdensome regulations that they claim have made it too difficult for companies to raise money from investors, impeding their ability to grow and hire. Never mind that reams of Congressional testimony, market analysis and academic research have shown that regulation has not been an impediment to raising capital. In fact, too little regulation has been at the root of all recent bubbles and bursts — the dot-com crash, Enron, the mortgage meltdown. Those free-for-alls created jobs and then imploded, causing mass joblessness. Unfortunately, election-year politics and powerful constituencies — rather than research and reason — are driving the JOBS legislation forward. It passed the House on Thursday, after the Obama administration endorsed it; the Senate leadership is expected to introduce a similar package this week. Republicans love it because deregulation is at the core of their corporate-centered agenda. President Obama wants to burnish his pro-business credentials. Most Senate Democrats, keenly aware of big business's deep campaign contribution pockets, are eager to go along. The centerpiece of the bill would curb investor protections in the Sarbanes-Oxley law that require

companies to meet specific disclosure, accounting and auditing standards before going public. The legislation is promoted as applying only to small companies, but the parameters would encompass all but the nation's biggest new companies. It would also let new public companies delay compliance with provisions of the Dodd-Frank law on executive compensation and shareholder "say on pay." Another provision would permit "crowd funding" — raising money from small investors through the Internet — without requiring those companies to provide meaningful disclosure and without adequate oversight by the Securities and Exchange Commission. John Coffee Jr., a securities law expert, has dubbed that the 'Boiler Room Legalization Act.' Yet another provision, opposed by AARP and state regulators, would allow private companies to solicit investors, a move that could expose unsophisticated investors to offerings that they cannot properly evaluate. ***Dozens of legal experts and advocates for investors and consumers have written to Senate leaders warning that extensive revisions must be made to the House legislation for it to be even minimally acceptable.*** *We know memories are short in Washington. But Enron was just 10 years ago. And the entire system almost imploded in 2008. There is no excuse."* *Click here for more.*

Kathleen Pender: Financial regulations gutted in new bill
Kathleen Pender (SF Chronicle)
March 11, 2012

"It's hard to believe that Democrats, who brought you the Dodd-Frank financial regulation act and the Consumer Financial Protection Bureau, are solidly backing a bill that would weaken or obliterate many regulations designed to safeguard investors. The bill, HR3606, sailed through the House Thursday with 222 Republicans and 168 Democrats voting for it. Only 23 members, all Democrats, voted against it. President Obama has endorsed the bill. The Senate is fast-tracking its own version, which could come to the floor Monday night. Under the guise of creating jobs, the House bill would make it easier for companies to raise money from the public without fulfilling some - or in certain cases virtually all - of the obligations designed to protect investors in public companies. However, there is no requirement or guarantee that companies would use any of the money to hire a single person. 'My guess is the Republicans cannot believe they have suckered the Democrats into taking up their idea that deregulation is the way to promote job growth. It flies in the face of what the Democrats were arguing just a couple years ago. It completely undermines what they are trying to do to shore up our system of financial regulation,' says Barbara Roper, director of investor protection for the ***Consumer Federation of America****. She is not the only investor advocate fuming about the bill. 'It's an ill-advised, fundamental restructuring of the securities laws,' says Mercer Bullard, president of Fund Democracy. Columbia Law School Professor John Coffee has nicknamed the bill's crowd-funding provision, which would let private companies raise money from mom-and-pop investors over the Internet, the 'boiler room legalization act.' AARP,* ***Americans for Financial Reform****, the North American Securities Administrators Association and the Council of Institutional Investors have strongly opposed all or some parts of the bill. Arthur Levitt, chairman of the Securities and Exchange Commission under President Bill Clinton, told me, 'The bill is a disgrace.'* *Click here for more.*

Gail Collins: The Senate Overachieves
Gail Collins (NYT)
March 14, 2012

"Good news, frustrated American citizens! Congress is not a clogged up, hidebound legislative slug after all. Bills were flying through the Senate on Wednesday like great flocks of geese soaring into the turbines of a passenger jet. First, the senators passed legislation that would keep all the federally financed highway programs from coming to a screeching halt when money runs out at the end of this month. (Completely unnecessary disaster averted!) Then, the party leaders came to an agreement on easing a bottleneck of uncontroversial judicial nominations. (People with no enemies cleared for hiring!) Some of you may be wondering how the judges got bottlenecked in the first place if they were uncontroversial. It's a long story. But, basically, the Republicans, irritated about totally unrelated matters, vented their frustration by putting their feet on the necks of helpless judicial nominees, people without an enemy in the world, who just wanted to go in and help clear up the critical case backload in the nation's federal courts. …After its run of accomplishment, the Senate did not rest on its laurels. No, it moved right on to begin consideration of a bipartisan bill — passed in the House by an enormous margin — that would remove investor protections in the financial marketplace. Say what? Ah, yes, the JOBS Act. JOBS stands for Jump-start Our Business Start-ups. Basically, it relieves businesses that are preparing to go public from some of the most important auditing regulations that Congress passed after the Enron debacle. Also, new public companies could delay following the rules on disclosing executive compensation that were passed after the 2008 Wall Street

implosion. And salesmen could market stock in new companies to small investors on the Internet." *[Click here for more.](#)*

Coates and Pozen: Bill to Help Businesses Raise Capital Goes Too Far
John Coates and Robert Pozen (Washington Post column)
March 16, 2012

"The House voted 390 to 23 last week for a [bill (PDF)](#) to provide regulatory relief for [small companies](#) trying to raise capital. The bill is moving quickly through the Senate; no one likes unnecessary regulations that burden economic growth. But this bill does more than trim regulatory fat; parts of it cut into muscle. Small businesses will have a harder time raising capital if investors do not receive sufficient disclosures or other legal protections. First, the bill would allow 'crowd-financing' under astonishingly flexible conditions. It would displace current Securities and Exchange Commission disclosure rules for public offerings, allowing a new venture to raise $1 million through widespread Internet solicitations as long as no single investor put in more than $10,000. But the loosened regulations would make it easier for future [Bernie Madoffs](#) to create, say, 50 fake firms, steal $50 million from unsuspecting investors and retire to a tropical island." [John Coates](#) is a professor at Harvard Law School. [Robert Pozen](#) is a senior lecturer at Harvard Business School and a senior fellow at the Brookings Institution. [Click here for more.](#)

Floyd Norris: Paving Path to Fraud on Wall St.
Floyd Norris (NYT's Economix blog)
March 15, 2012

"Nearly 20 years ago, Bankers Trust was riding high. The bank, based in New York, had become known as an expert in then-newfangled derivative securities, and the profits were flowing in. In an era where commercial [banks](#) were often viewed as stodgy and unimaginative, it stood out as a shining light. Corporate treasurers sought its insights about ways to maximize income from idle cash. Wall Street firms scrambled to compete. Then the tapes came out. On those tapes, recorded in 1993 and 1994, Bankers Trust executives were heard to discuss how they were misleading customers who did not understand what they were doing. Speaking among themselves, bankers used the term 'R.O.F.' It stood for 'rip-off factor,' the amount the bank could take from unsuspecting clients. …One of the amazing stories of this year has been the fact that Wall Street, for all its public opprobrium, is on the brink of a major legislative victory to roll back decades of regulation and rules aimed at preventing underwriters from ripping off customers. Last week, the House of Representatives, with the support of every Republican and most Democrats — as well as a White House endorsement — passed something it called the 'Jump-start Our Business Start-ups Act,' or JOBS for short. The logic is that if we can just make it easier for companies to raise capital, they will hire more people. Do you remember the scandals of the dot-com era? Then Wall Street firms got business by promising companies that they would write positive research reports if the company would only hire them to underwrite an initial public offering of stock. Companies went public at a feverish pitch, often rising to amazing heights without much in the way of sales, let alone profits. Then it all came crashing down. In the aftermath, the brokers were forced by the Securities and Exchange Commission, as well as the New York attorney general, to mend their ways. No longer would analysts be allowed to go on such I.P.O. sales calls. This bill would end that rule for all but the biggest new offerings — those that involved companies with sales of over $1 billion. And it would go much further. As the law stands now, to keep underwriters from making sales pitches that go beyond what companies are allowed to say, the underwriters are prohibited from publishing research on a company while its initial public offering is under way. This bill would allow such research, and would say that the company bore no responsibility for what was said in it. Effectively, there would be a second prospectus — one largely immune to securities laws and free to hype the offering by making forecasts not otherwise allowed. … 'If you like those e-mails from Nigerian scammers, wait until you see the new round about to come from shady Chinese companies looking for investment — and they will be legal,' [said Paul Gillis](#), a former auditor for PricewaterhouseCoopers in China who is now a visiting professor of accounting at Peking University. … He suggested the bill be renamed the 'Jump-start Our Bilking of Suckers Act.'" [Click here for more.](#)

Jesse Eisinger: Congress's Genius Jobs Plan—for Fraudsters, Shills, and Wall St. Analysts
Jesse Eisinger (ProPublica)
March 14, 2012

"Note: The Trade is not subject to our Creative Commons license. *Finally, the House passed a jobs bill last week. And what a bill it is! Officially called the Jump-Start Our Business Start-Ups Act, it calls for reopening* *our capital markets to exciting new start-ups by ridding protections for investors and stripping away disclosure requirements for smaller companies. JOBS has been [repeatedly] [assailed], but it will bring much-needed help to some of the harder hit sectors of the economy. John Coffee, a Columbia Law professor, has hailed the bill as ["the boiler room legalization act."] And rightly so. Boiler room operations were one of the unsung job creators of the 1990s, producing some of America's greatest penny stocks and [boom times for yacht makers and coke dealers]." [Click here for more.]*

David Dayen: Reid Stalls JOBS Act Until Judicial Nominees Confirmed
David Dayen (Firedoglake)
March 13, 2012

*"Through some parliamentary maneuvering, Senate Majority Leader Harry Reid escalated his [fight over judicial nominations] today. The short version of this is: The House passed something they called the JOBS Act, with broad bipartisan support, which is actually a financial industry deregulation bill opposed by government watchdogs like **Americans for Financial Reform**. The full story on the bill is [here]. It moved from the House to the Senate, and Republicans are heavily invested with passing something they can call a "jobs bill." The White House endorsed it, so the Senate is the last step. However, Reid wants to break a logjam on judicial confirmations which has stalled for the most part since President Obama made recess appointments of Richard Cordray to the CFPB and some members of the National Labor Relations Board. So, Reid [sequenced the JOBS Act behind the confirmations]: Reid pulled procedural levers Monday to force action on 17 stalled, non-controversial judicial nominees to federal trial courts — just as the Senate was expected to take up the House-passed JOBS Act, a modest GOP-led bill to encourage economic growth by loosening regulations on small business capital formation." [Click here for more.]*

SEC Cracks Down on Pre-IPO Trading
Randall Smith and Jean Eaglesham (WSJ – subscription required)
March 14, 2012

"Federal regulators are cracking down on an obscure but booming market for trading shares in companies before they go public. The Securities and Exchange Commission brought charges against two money managers, alleging they misled and overcharged investors on funds formed to buy shares of Facebook Inc., Twitter Inc. and other social-media companies. A so-called secondary market in these companies' private shares has grown rapidly as more investors seek to buy into the companies before their initial public offerings, hoping to profit later from a 'pop' in the stock price after the IPO. The allegations by the SEC mark the first major regulatory blow to the market, which the agency says emerged in 2009 and which industry participants say has been fueled lately on the anticipation of a Facebook IPO in the coming months." [Click here for more.]

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CFPB and Consumer Issues

Comment Letter: Response to CFPB's Proposals and Questions on Streamlining Regulations

[Click here] to view the comment letter submitted by AFR, in conjunction with California Reinvestment Coalition, Center for Responsible Lending, Consumer Action, Consumer Federation of America, Consumers Union, National Association of Consumer Advocates, National Consumer Law Center, National Fair Housing Alliance, NEDAP, the Greenlining Institute, and U.S. PIRG, to the CFPB in response to their request for ideas on streamlining regulation.

New consumer agency reassures banks on disclosure
Alexandra Alper (Reuters)
March 12, 2012

"The new consumer agency on Monday added protections to privileged information banks turn over to the regulator, in a proposed rule that addressed bank executives' fears about disclosure. The new rule will ensure that sensitive documents such as legal memos submitted to the Consumer Financial Protection Bureau for regulatory or supervisory reasons cannot be subpoenaed by consumer groups or others looking to sue those firms. 'This is a common sense rule that is consistent with our practice of guarding the

confidentiality of the information of the institutions we supervise,' CFPB Director Richard Cordray said in a statement." [Click here for more.]

Click here to view the press statement from the CFPB.

Cordray to Small Banks: CFPB Would Have Buffered Housing Crisis
Elizabeth Ecker (Reverse Mortgage)
March 15, 2012

"Now overseeing bank and non-bank segments of the mortgage market, the Consumer Financial Protection Bureau is looking to level the playing field, CFPB Chief Richard Cordray told members of the Independent Community Bankers Association this week. Leading up to the housing crisis, bad practices drove out the good, Cordray said in prepared remarks. 'Your banks were literally robbed of market share; and the whole stinking mess eventually collapsed, dragging down many innocent people along with it,' he said. 'I firmly believe that had the Consumer Bureau been in place ten years ago, the crisis would have been headed off before it metastasized.'" Click here for more.

Click here to view Director Cordray's prepared remarks.

Rosenthal Will Head to CFPB
David Morrison (Credit Union Times)
March 5, 2012

"The previously unnamed federal agency that will gain the services of Clifford Rosenthal, CEO of the National Federation of Community Development Credit Unions is the Consumer Financial Protection Bureau, according to an agency spokesman. Rosenthal, a long-time organizer and champion of community development credit unions announced on March 2 to National Federation member credit unions that he will begin working for an unnamed federal agency on May 7. 'If I may borrow a phrase from the Peace Corps, this is the toughest job I've ever loved,' Rosenthal wrote. 'Leaving is not easy – I've spent half my adult life here (you can check my social security card!). But the Federation is strong, stable, and sustainable. Our board and staff are incredibly dedicated and experienced.'" Click here for more.

Consumer Issues

OCC Probing JPMorgan Chase Credit Card Collections
Jeff Horwitz (American Banker)
March 12, 2012

"First in a series - *JPMorgan Chase & Co. took procedural shortcuts and used faulty account records in suing tens of thousands of delinquent credit card borrowers for at least two years, current and former employees say. The process flaws sparked a regulatory probe by the Office of the Comptroller of the Currency and forced the bank to stop suing delinquent borrowers altogether last year. The bank's errors could call into question the legitimacy of billions of dollars in outstanding claims against debtors and of legal judgments Chase has already won, current and former Chase employees say. For the banking industry at large, the situation at Chase highlights the risk that shoddy back-office procedures and flawed legal work extends well beyond mortgage servicing. 'We did not verify a single one' of the affidavits attesting to the amounts Chase was seeking to collect, says Howard Hardin, who oversaw a team handling tens of thousands of Chase debt files in San Antonio. 'We were told [by superiors] 'We're in a hurry. Go ahead and sign them.''Hardin left the bank in 2010 to work in a different industry. Chase declined repeated requests to discuss details of its consumer debt collection activities. Company documents, court filings, and interviews with seven current and former employees reveal that Chase's credit card litigation operation was allegedly plagued by unreliable external attorneys, management's disregard for accuracy, and patchy technology." Click here for more.*

Prepaid debit card: new disclosure on fees
Daniel Wagner (AP)
March 15, 2012

"Three major issuers of prepaid debit cards said Tuesday they will test a new fee-disclosure box designed to help people understand the costs of using cards to access their money. The disclosure box, designed by a non-profit group focused on people who don't have bank accounts, aims to improve the transparency of the

increasingly popular cards. Prepaid cards are similar to debit cards but are not attached to an underlying checking account. The Center for Financial Services Innovation also called on regulators to improve disclosures and other consumer protections for prepaid card users. …Prepaid cards have been criticized by consumer advocates because some of them carry higher fees that what banks charge for comparable services. However, research funded by the prepaid card industry has found that prepaid debit card users often pay less than people who have checking accounts with low balances. Prepaid cards are regulated separately from debit cards. They do not always offer the same protections against fraud and theft that credit and debit cards do. The [Consumer Financial Protection Bureau] has the authority to write rules governing prepaid cards. The agency, created under the 2010 overhaul of financial rules, regulates broad categories of consumer financial products and services. The bureau is considering adding prepaid card companies to the list of industries that it can monitor and supervise on-site, according to a public notice published last year. In its release, CFSI called on the bureau to 'do consumer testing of prepaid disclosures.' A bureau spokeswoman declined to comment on the proposed fee disclosure or on any agency plans involving prepaid cards. CFSI president and CEO Jennifer Tescher is set to testify Wednesday at a Senate subcommittee hearing about prepaid cards." Click here for more.

Click here to view testimony from the Financial Institutions and Consumer Protections hearing entitled "**Examining Issues in the Prepaid Card Market**", including testimony from Lauren Saunders, Managing Attorney at the **National Consumer Law Center** on behalf of **AFR**, **Center for Responsible Lending**, **Consumer Action**, **Consumer Federation of America**, **Consumers Union**, and the **Leadership Conference on Civil and Human Rights**; and David Rothstein, Researcher from **Policy Matters Ohio**.

Payday lending makes banks big profits
Mark Gruenberg (People's World)
March 13, 2012

*"In their constant quest for ever-larger profits, at least five of the nation's leading banks - including Wells Fargo, notorious several years ago for financing a union-busting steel firm - have entered the sleazy, unscrupulous, and usurious field of payday lending, the **Center for Responsible Lending** reports. That consumer group Lending, marshaled 250 other groups and individuals, including the **AFL-CIO** and the labor-backed **Americans for Financial Reform**, to demand the new federal Consumer Financial Protection Bureau probe the banks' exploitation of the needy through their ultra-high-interest payday loans. 'Payday loans erode the assets of bank customers and, rather than promote savings, make checking accounts unsafe for many customers. They lead to uncollected debt, bank account closures, and greater numbers of unbanked Americans,' they wrote. The bureau plans to regulate the 'traditional' payday lenders, who often exploit low-income and minority communities with annual interest rates of up to 417 percent. It has yet to take a position on the banks' payday lending, which the groups say occurs at a rate of $10 for every $100 borrowed, and annual rates of up to 365 percent." Click here for more.*

Ed Mierzwinski: 50 Years Ago This Week, JFK Ushered in Modern Consumer Protection Era
Ed Mierzwinski (Huffington Post)
March 13, 2012

"People of almost any age know a lot about the Kennedy administration with its optimistic beginnings and its sudden, tragic end. Yet many have probably never heard of one of JFK's important legacies -- his declaration that consumers have rights that deserve protection. Fifty years ago, on March 15, 1962, President Kennedy issued his "Special Message to the Congress on Protecting the Consumer Interest." While his ambitious agenda has not been fully realized, the sweep of his vision bears revisiting. Kennedy said, 'If consumers are offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened, and the national interest suffers.'" Click here for more.

Galvin urges banks to offer free basic checking
Todd Wallack (Boston Globe)
March 02, 2012

"Secretary of State William F. Galvin vowed to press Bank of America and other big banks in Massachusetts to offer free checking accounts to young adults and the elderly, something most community banks already offer. Galvin said he is seeking legislation to bar banks from holding state or local government deposits in

Massachusetts unless they offer free basic checking accounts to people under 19 or 65 and older. State-chartered banks, such as Eastern Bank and Rockland Trust, are already required to offer the accounts under legislation that Galvin co-sponsored when he served in the state legislature in the 1980s. But the law does not apply to nationally charted banks like Bank of America, Citizens Bank, Sovereign Bank, and TD Bank. Those also happen to be the largest banks in Massachusetts as measured by deposits and branches." [*Click here for more.*]()

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Shadow Markets and Systemic Risk

Citigroup, 3 others flunk Fed test
Josh Boak (Politico)
March 13, 2012

"Citigroup is one of four banks that failed the Federal Reserve's stress test, a measure of whether they could withstand another cataclysmic economic crisis. The bank — a major recipient of bailout money following the 2008 financial collapse — wasn't in the worst condition of the 19 financial institutions included in the test, but it is the biggest. Fed officials released the study just after markets closed Tuesday—two days ahead of schedule—after JPMorganChase announced it had cleared the test and received approval to increase its quarterly dividend and buyback $15 billion worth of stock from its shareholders. Citigroup says it is also planning to return money to shareholders — and that the money it was allocating to do so was the reason the bank flunked the Fed test. Also in good shape: Major players like Bank of America, Goldman Sachs, Wells Fargo and American Express, all of which demonstrated adequate capital reserves to survive the hypothetical catastrophe." [*Click here for more.*]()

[**Click here**]() to view the press statement from the Federal Reserve and [**click here**]() to view the methodology and results.

Pandit Repeats Moynihan's Misstep as Citigroup Request Backfires
Hugh Son and Donal Griffin (Bloomberg)
March 14, 2012

"Citigroup Inc. (C) Chief Executive Officer Vikram Pandit missed the lesson that Bank of America Corp. (BAC) CEO Brian T. Moynihan learned when it comes to the Federal Reserve's stress tests. Citigroup fell 3.7 percent in New York trading after becoming the biggest U.S. lender to fail the regulator's exam of capital levels in a hypothetical economic downturn because of the New York-based firm's plan to boost dividends or stock repurchases. Bank of America, which had its payout request rejected last year, passed the 2012 test after Moynihan decided to keep his company's dividend at 1 cent. 'Pandit misread the situation badly, you just don't ask for something if you don't know you can get it,' said Greg Donaldson, chairman of Evansville, Indiana-based Donaldson Capital Management LLC, which oversees $540 million including Bank of America shares. 'Moynihan was chastened by what happened last year, he absolutely wasn't going to take any chances of getting rebuffed again.' The Fed's rejection of Citigroup is a setback for Pandit, who has told investors since October 2010 that the bank may return more capital this year. The CEO, who in the past 12 months was rewarded with pay and multiyear retention packages valued at as much as $53 million, will submit a new capital plan to regulators while rivals including JPMorgan Chase & Co. and Wells Fargo & Co. won approval to raise their dividends." [*Click here for more.*]()

Dodd-Frank panel faces pushback on rules for naming vital Wall Street firms
Peter Schroeder (The Hill)
March 11, 2012

"Federal regulators are facing opposition from business groups as they try to develop a system to ensure that large institutions do not cause another financial crisis. At issue is how regulators will determine what financial firms deserve the title 'systemically significant.' Lawmakers developed the designation after the financial crisis, when a chain reaction among financial firms nearly sparked a global panic. The Dodd-Frank financial reform law requires regulators to determine what institutions are crucial to the economy and see that they remain healthy and solvent. If an entity is deemed a 'systemically important financial institution,' or SIFI, it will be subject to heightened regulation and oversight. Depending on the institution's balance sheet,

regulators might require the SIFI institutions to bolster their capital reserves to guard against financial shocks. …Wall Street reform advocates, meanwhile, are arguing that proposals put forward by regulators overlook key pieces of the market and would do little to prevent another crisis. 'This is the section of the Dodd-Frank Act that gives federal regulators the authority to handle the problems in the shadow banking system, and they're really not living up to that,' said Marc Jarsulic, chief economist for ***Better Markets****, a nonprofit group pushing for tougher regulation. That tug-of-war is centered on the team charged with making the SIFI designation, which is also a Dodd-Frank creation — the Financial Stability Oversight Council (FSOC)."* *Click here for more.*

CFTC Targets Rapid Trades
Scott Patterson (WSJ – subscription required)
March 15, 2012

"A top U.S. regulator said his agency plans to widen day-to-day monitoring of the commodities and futures markets, targeting the high-speed trading firms that are a growing force. Instead of just policing completed futures trades, the Commodity Futures Trading Commission will seek to watch the fleeting buy and sell orders that increasingly influence the market, CFTC Chairman Gary Gensler said in an interview. The move follows a Securities and Exchange Commission plan to sharpen oversight of stock trades following the 2010 'flash crash.' Regulators are seeking to catch up with high-frequency trading firms that are responsible for roughly half of orders, the vast majority of which are never executed. The SEC is probing the close relationship between high-speed firms and the computerized exchanges they do business with." Click here for more.

Goldman Sachs Resignation and Volcker Rule

Greg Smith: Why I Am Leaving Goldman Sachs
Greg Smith (NYT op-ed)
March 14, 2012

"Today is my last day at Goldman Sachs. After almost 12 years at the firm — first as a summer intern while at Stanford, then in New York for 10 years, and now in London — I believe I have worked here long enough to understand the trajectory of its culture, its people and its identity. And I can honestly say that the environment now is as toxic and destructive as I have ever seen it. To put the problem in the simplest terms, the interests of the client continue to be sidelined in the way the firm operates and thinks about making money. Goldman Sachs is one of the world's largest and most important investment banks and it is too integral to global finance to continue to act this way. The firm has veered so far from the place I joined right out of college that I can no longer in good conscience say that I identify with what it stands for." Click here for more.

AFR Press Statement: Resignation of Goldman Sachs executive director Greg Smith Illustrates Need for Volcker Rule
Click here to view AFR's press statement.

Excerpt:

> *"The resignation of Goldman Sachs executive director Greg Smith and the striking op-ed he wrote in today's NY Times reveal once again that the problems laid bare in the 2010 Congressional hearings on proprietary trading remain pervasive at our largest banks. Congress passed the Volcker Rule as a specific response to these issues. Indeed, the Volcker Rule – which reorients banking culture to serving customers by banning proprietary trading and the conflicts of interest it creates – is aimed at precisely the problems Mr. Smith describes at Goldman Sachs."*

Click here *to view the press statement from Public Citizen.*

Reform groups use Goldman critique to push for tougher rules
Peter Schroeder (The Hill)
March 14, 2012

"Advocates for tough implementation of financial reform are saying that a head-turning op-ed from a former employee of Goldman Sachs proves the need for strict rules on the financial sector. In a blistering piece

*published Wednesday by **[The New York Times](#)**, Greg Smith announced his resignation as an executive director at the firm, while offering a lengthy takedown of what it has become. He argued that under current leadership, Goldman had placed its own profit-hunting ahead of the well-being of its clients, who he said were called 'muppets' behind closed doors. …**Americans for Financial Reform** issued a statement saying Smith had 'laid bare' problems that 'remain pervasive at our largest banks.' The proper prescription? Tough implementation of the 'Volcker Rule.' That key piece of Dodd-Frank is intended to prevent 'proprietary trading' by banks, which are trades made purely for the profit of the firm and not at the behest of clients. And AFR says it is 'aimed at precisely the problems Mr. Smith describes at Goldman Sachs,' calling on regulators to issue a strong proposal implementing it. 'Mr. Smith's statement today, along with the mountains of evidence from the financial crisis, demonstrates yet again how much we need a Volcker Rule that works,' the group said. …The liberal **Public Citizen** used the op-ed to push back against 'a barrage of self-serving industry comments,' noting that Goldman alone sent two separate letters and visited with regulators six times. 'Regulators should put Smith's candid and brave words on the top of any analysis about how best to reform Wall Street,' said Bartlett Naylor, a financial policy advocate for the group. Click here for more.*

Politicians In Washington Are Reading Greg Smith's Letter Too
Alan Zibel, Siobhan Hughes and Eric Morath (WSJ – subscription required)
March 14, 2012

*"Greg Smith's fiery resignation from Goldman Sachs, as may be expected, touched a nerve of some politicians and political groups, many of whom have been beating a drum not to water down banking reforms. 'Even after Goldman received a $10 billion taxpayer bailout and paid the largest SEC settlement in history for misleading its investors, it still hasn't learned the lessons of the 2008 financial collapse, according to this insider,' said Rep. Elijah Cummings (D., Md.) the top Democrat on the House Oversight Committee. 'Putting its short-term corporate profits before the interests of its own investors and clients is exactly what helped cause the economic collapse and what continues to corrode Wall Street.'…Asked about the op-ed piece an event in Washington, former Federal Reserve Chairman Paul Volcker said Wall Street's trading practices, which have grown tremendously in the past 20 years, can 'lead to a lot of conflicts of interest — and enormous compensation.'…Echoing Volcker himself, **Americans for Financial Reform** said the rule is aimed 'precisely' at the problems Smith alleges, and should provide fighting power from a lobby movement to soften the rule. 'It is crucial that regulators are not intimidated or overwhelmed by this well-funded effort, but instead move ahead to implement the Volcker Rule that Congress intended – a strong rule that truly changes the toxic culture of proprietary trading,' the group said in a statement. 'Smith's statement today, along with the mountains of evidence from the financial crisis, demonstrates yet again how much we need a Volcker Rule that works.'" Click here for more.*

After Goldman Sachs Resignation, Assessing Wall Street's 'Moral Fiber'
PBS NewsHour
March 15, 2012

*Wall Street was abuzz after Wednesday's very public resignation by a Goldman Sachs executive -- a New York Times op-ed piece taking issue with its business practices. Judy Woodruff discusses recent criticism of Wall Street culture with Georgetown University's James Angel and the University of Maryland's **Michael Greenberger.** Click here for more.*

Wallace Turbeville: The Truth about Goldman Sachs
Wallace Turbeville (American Prospect)
March 15, 2012

"The investment firm headed south as soon as it started prioritizing short-term gain over its long-term interests. Former Goldman Sachs employee Greg Smith wrote an op-ed in yesterday's New York Times that simmers with pathos. Smith describes the devolution of the culture at Goldman: Whereas in the past, the company worked in the interests of its clients, they are now seen merely as the source of transactional profit, to be manipulated for the benefit of the firm. His story emerges in the midst of a huge effort by Wall Street to eviscerate and delay the implementation of the Volcker Rule, which limits bank traders to running a client-service businesses by prohibiting trading for the bank's own account. Having spent 12 years at Goldman prior to 1997, I sympathize with Smith's feelings of loss and betrayal. I left just at the beginning of the institution's evolution into its current form and have observed the process with despair—not only for the organization but for the loss suffered by the nation. Some context might provide greater meaning to Mr. Smith's story." Click here for more.

Volume of Volcker Rule Comments Was No Surprise, Regulators Say
Phil Mattingly (Bloomberg)
March 13, 2012

"U.S. regulators said they weren't surprised by the volume of the critical comments filed by financial companies and foreign governments over the Volcker rule, which bars U.S. banks from trading for their own account. Acting Comptroller of the Currency John Walsh and Acting Federal Deposit Insurance Corp. Chairman Martin J. Gruenberg said in interviews today that concerns raised over the rule were due to its complexity and to its essential purpose -- the elimination of proprietary trading by U.S. banks." Click here for more.

The one job banks and hedge funds can't fill
Alex Konrad (Fortune)
March 13, 2012

"The banking industry has cried foul over the additional burden of Dodd-Frank regulations taking effect soon, but they mean a boom in business for compliance officers. 'Prior to the crash in 2008, compliance was never viewed as a sexy area,' says Mitchell Peskin, a partner at the ExecuSearch Group. 'Now it's a growth area.' Some, like TD Bank (TD), bolstered their staff in 2010, but recruiters say a big hiring rush will start this summer as the Volcker Rule takes effect. The surge appears to be already underway at a number of major job sites. TheLadders had over 100 listings for compliance officers last month, with New York, Chicago, and Dallas the top three listed locations. At America's Job Exchange, listings in the compliance space have exploded: There were 9,148 jobs with 'compliance' in their title for the second half of 2011, up from 221 a year ago, according to company president, Rathin Sinha." Click here for more.

Commodity Speculation

Surging Gas Prices Have Drivers Fuming
Jeff Brady (NPR)
March 15, 2012

"Gasoline prices have risen about 50 cents a gallon since January. The national average for regular gas stands at just above $3.80 per gallon. Pity the drivers on the West Coast. Prices there have been much higher. At a Chevron station in Culver City, Calif., the price on Tuesday was $4.45 a gallon. 'I do building maintenance,' Ursula Matthews said as she filled her tank. 'I do a lot of driving from place to place. It's hurting me. I cannot raise the prices [of my services] with the economy what it is.' Lindon Dawson, another customer at the same station, wondered, 'How long is this going to last? Because this is kind of making me broke.' There's good news for Dawson and his wallet. It looks like gas prices on the West Coast are headed down. …Donald Keys of Denver seems suspicious of the frequent price changes lately. 'I seen it the other night, 14 cents, overnight,' he says. 'I mean, who's in control of that?' Ultimately, the station owner determines the price, based on the local market. But before that there's the wholesaler, the refiner and the company that pulled the oil out of the ground in the first place. The price of crude is about 75 percent of what you pay for gas at the pump. Those oil prices are determined well east of Denver, in New York. The electronic trading market that sets world oil prices is huge — much bigger than the oil market itself — and it's complex. That leads some to question the role of speculators. Some of the recent run-up in oil prices was due to political tensions in the Middle East, involving Iran. When traders are worried the supply might be cut, they start bidding prices up. 'When they're raising our gas prices off pure speculation, that's getting a little out of hand,' says Denver resident Scott Schmidtline. The U.S. Commodity Futures Trading Commission is developing new rules for traders." Click here for more.

Feds Promise Action On Wall Street Speculation Blamed For High Gasoline Prices
Pierre Bertrand from (International Business Times)
March 12, 2012

"In a bid to tamp down record high gas prices, federal regulators hope to have rules in place within months to limit oil and gasoline price speculation on Wall Street. Bart Chilton, commissioner of the U.S. Commodity Futures and Trading Commission, wrote independent Sen. Bernard Sanders of Vermont that he has drafted regulations to curtail 'excessive speculative trading,' which would go into effect within 60 days of announcement. Chilton was responding to a letter from Sanders and co-signed by 70 lawmakers, lambasting the CFTC for not doing enough to rein in gasoline prices." Click here for more.

Wall Street Flies High on Increased Oil Prices
Pilot Partisan
March 13, 2012

"Yesterday on the Dylan Ratigan Show, Better Markets President Dennis Kelleher discussed the role speculators on Wall Street play in driving up oil and fuel prices. Over the last decade, speculation in the commodities market by large banks and firms has doubled while the cost of a barrel of oil has ranged between $31 to $145. Thousands of pilots lost their jobs as their employers declared bankruptcy due to the oil price spike. The Dodd-Frank Act of 2010 will help curb excessive oil speculation by introducing transparency into the commodities market. Dodd Frank requires the CFTC and SEC to issue and enforce position limits to limit excessive oil speculation and provide more transparency. However, the CFTC is more than a year late on its congressionally mandated deadline to enforce these provisions of the Act. Wall Street is spending tens of millions of dollars to delay and water down these final rules. As a result, ALPA has become a key supporter of legislation introduced by Senator Bill Nelson (D-FL) S. 1598 "The Anti-Excessive Speculation Act of 2011." S. 1598 seeks to provide even more transparency in the markets, prohibits any person from holding or controlling an excessive speculative position, directs CFTC to establish aggregate speculative position limits and further protects the interests of legitimate hedgers like airlines and farmers. Fuel is the number one cost to the airline industry, and curbing volatility and price spikes caused by excess speculation is a priority to protect pilot jobs." *Click here for more.*

Will Eric Holder Cost Barack Obama a Second Term in Office?
Michael Hirsh (for The Atlantic)
March 13, 2012

"Speculators may be driving the price of oil up by at least $23 per barrel. Is the attorney general charged with watching them asleep at the switch? *With his poll numbers bruised by rising gas prices, President Obama last week casually mentioned at a news conference that the actions he was taking included 'making sure that my attorney general is paying attention to potential speculation in the oil markets.' But is Eric Holder, who is gaining a reputation for passivity in a number of investigations, really paying attention? Obama added that he had asked Holder 'to reconstitute a task force that's examining' oil speculation, which is partly responsible for the rapid runup in prices. According to some market watchers, including Robert Lenzner of* Forbes *magazine, prices of crude would be at least $23 per barrel less -- translating into 56 cents less per gallon of gas -- if speculators weren't driving them up based on rumors of an Iran war and other factors unrelated to actual supply and demand. And yet the so-called task force that Holder convened almost a year ago, in April 2011, the Oil and Gas Price Fraud Working Group, has met only several times, leading a frustrated Obama to call for it to be 'reconstituted.' And in the week that's passed since Obama made his comments, the task force has met once more, according to a Justice Department spokeswoman." Click here for more.*

Exclusive: U.S., Britain set to agree on emergency oil stocks release
Richard Mably (Reuters – London)
March 15, 2012

"Britain is poised to cooperate with the United States on a release of strategic oil stocks that is expected within months, two British sources said, in a bid to prevent fuel prices choking economic growth in a U.S. election year. A formal request from the United States to the UK to join forces in a release of oil from government-controlled reserves is expected 'shortly' following a meeting on Wednesday in Washington between President Barack Obama and Prime Minister David Cameron, who discussed the issue, one source said." Click here for more.

Robert Reich: Why Republicans Aren't Mentioning the Real Cause of Rising Prices at the Gas Pump
Robert Reich (Huffington Post)
March 15, 2012

"Gas prices continue to rise, which is finally giving Republicans an issue. Mitt Romney is demanding the President open up more domestic drilling; the super PAC behind Rick Santorum just released a new ad in Louisiana blasting the President on gas prices; and the GOP is attacking the White House on the Keystone XL Pipeline. But the rise in gas prices has almost nothing to do with energy policy. It has everything to do with America's continuing failure to adequately regulate Wall Street. But don't hold your breath waiting for Republicans to tell the truth." Click here for more.

MF Global

MF Global Customers Said to Get Offers for Their Claims
Azam Ahmed and Ben Protess DealBook/NYT)
March 12, 2012

"The thousands of MF Global customers whose lives and businesses were derailed after $1.6 billion vanished in the collapse of the brokerage firm have now received offers to sell their claims and recoup nearly the entire shortfall, people involved in the negotiations said. What was once thought to be a lost cause has erupted into a bidding war among Wall Street firms: Barclays, the Royal Bank of Scotland and the Seaport Group, a little-known firm that specializes in distressed assets, are all scrambling to buy MF Global customer claims." Click here for more.

Nomi Prins: The Audacity of Bonuses At MF Global
Nomi Prins (Zero Hedge)
March 12, 2012

"*In the spirit of George Orwell's* Animal Farm *commandment: 'all animals are equal, but some animals are more equal then others' comes the galling news that bankruptcy trustee, Louis Freeh, could approve the defunct, MF Global to pay bonuses to certain senior executives. This, despite the fact that nearly $1.6 billion of customer funds remains 'missing' or otherwise partially accounted for, yet beyond the reach of those customers, perhaps forever, since before the firm declared bankruptcy on October 31, 2011. Another commonality between the MF Global incident and* Animal Farm *is the abject rewriting, or re-interpretation, of rules. At the farm, the rule 'No animal shall drink alcohol' was ultimately 're-remembered' as 'No animal shall drink alcohol* to excess*.' Absent opposition to this particular fact alteration, the pigs got drunk. It wasn't pretty." Click here for more.*

International

Stephen Fidler: Europe's Debt Crisis, Seen From America
Stephen Fidler (WSJ – subscription required)
March 15, 2012

"In U.S. politics, the euro-zone crisis has become a political Rorschach test. The three main Republican presidential contenders bash President Barack Obama for wanting to turn America into 'a European-style entitlement society' in Mitt Romney's words. From the right of the U.S. political spectrum, the crisis is a predictable consequence of an unsustainable welfare state: It's down to socialism. For many on the left, the crisis is a warning about austerity—in particular, the dangers of premature and excessive budget slashing. In this view, German-inspired fiscal retrenchment in Europe's struggling economies is a recipe for deepening recession." Click here for more.

Greek Restructuring Delay Helps Banks as Risks Shift
Yalman Onaran (Bloomberg)
March 15, 2012

"Delaying Greece's debt restructuring by more than a year reduced banks' potential losses as firms trimmed their holdings and most of the risk shifted to European taxpayers. When Greece was first rescued by the European Union and the International Monetary Fund in May 2010, lenders in other EU nations held $68 billion of its sovereign debt, according to the Bank for International Settlements. If Greece had defaulted, banks would have lost $51 billion at a 25 percent recovery rate." Click here for more.

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Foreclosures and Housing

Feds promise tough oversight in mortgage deal
Aruna Viswanatha (Reuters)
March 12, 2012

"The government released the fine print of its landmark $25 billion mortgage settlement, and promised to closely police the banks' pledges to bring widespread housing relief, even while letting them dodge admission of wrongdoing. The deal, announced last month and filed on Monday in federal court in Washington, D.C., requires five major banks to help struggling borrowers to settle accusations they pursued faulty foreclosures and misled borrowers who sought loan modifications. The banks did not admit to the accusations laid out in the complaint, but the government said its intention was to 'remediate harms allegedly resulting from the alleged unlawful conduct.' A judge still has to approve the settlement, and any hearing on the deal would likely be contentious. The Association of Mortgage Investors on Monday promised to intervene in court, saying that investors in mortgage-backed securities were excluded from settlement talks, and could be financially harmed by mortgage writedowns or modifications. The group said in a statement that it planned to ask the court to place a cap on modifications for investor-owned loans and seek other changes. …Consumer advocates supported the idea that the new settlement could go further than past efforts. 'The bank servicers have really done a terrible job of servicing homeowners' mortgages,' said Ira Rheingold, executive director of the ***National Association of Consumer Advocates****." Click here for more.*

Click here for the Department of Justice filings.

Bank Officials Cited in Churn of Foreclosures
Nelson D. Schwartz and J.B. Silver-Greenberg (NYT)
March 12, 2012

"Managers at major banks ignored widespread errors in the foreclosure process, in some cases instructing employees to adopt make-believe titles and speed documents through the system despite internal objections, according to a wide-ranging review by federal investigators. The banks have largely focused the blame for mistakes on low-level employees, attributing many of the problems to the surge in the volume of foreclosures after the housing market collapsed and the economy weakened in 2008. But the report concludes that managers were aware of the problems and did nothing to correct them. The shortcuts were directed by managers in some cases, according to the report, which is by the inspector general of the Department of Housing and Urban Development." Click here for more.

Mortgage Deal Is Built on Tradeoffs
Nick Timiraos (WSJ – subscription required)
March 11, 2012

"Banks won a handful of concessions in the landmark $25 billion settlement of alleged foreclosure abuses, as federal officials struck a balance between their desire to be tough on lenders and the need to provide immediate relief to the housing market. A key sticking point in the year-long negotiations was how to structure mortgage write-downs, and who should bear the losses. The banks that are party to the settlement—Ally Financial Inc., Bank of America Corp., BAC +4.41% Citigroup Inc., C +3.44% J.P. Morgan Chase & Co JPM +2.80% ., and Wells Fargo & Co WFC +1.38% .—heavily and publicly resisted initial government proposals that they absorb the hit for write-downs of loans held by investors for which the banks collect payments. They argued that doing so amounted to transfers of wealth to Fannie Mae, Freddie Mac, and investors in mortgage-backed securities such as hedge funds and pensions." Click here for more.

Mortgage modifications and appraisal processes in question
Amy Biegelsen and Emma Schwartz (iWatchnews.org)
March 9, 2012

"Whistleblower lawsuits made public in recent weeks shed new light on abuses in the mortgage industry that led to — and continued well after — the housing crash in 2007. The cases suggest that fraud inside the banking industry continued years after the meltdown, some as late as 2011. They have been made public as federal officials put the finishing touches on the $25 billion mortgage fraud settlement with five major lenders. A suit unsealed March 7 alleges that Bank of America fraudulently misled borrowers and regulators in order to keep customers out of mortgage modifications that would have cost the bank money but

potentially prevented foreclosures — making 'a mockery of a program designed by Congress and the Treasury Department to help millions of struggling American homeowners,' the complaint stated." *[Click here for more.](#)*

50 phone calls uncover flaws in FHFA principal reduction study
Jon Prior (HousingWire)
March 15, 2012

"Federal Housing Finance Agency *analysis used to prevent principal reduction on* ***Fannie Mae*** *and* ***Freddie Mac*** *loans was seriously flawed, according to one leading analyst. 'We have reviewed the study and have a number of very substantial objections,' said* ***Amherst Securities*** *Senior Managing Director Laurie Goodman before a Senate subcommittee Thursday, who gathered additional data via telephone. The FHFA used the report to determine a wide-scale principal reduction program would [cost more](#) than forbearance, while increasing the risk of strategic default among borrowers seeking relief." [Click here for more.](#)*

FHFA Criticized for Arguments Used Against Principal Reduction
Esther Cho (DSNews.com)
March 15, 2012

"The [FHFA's](#) decision to not allow for principal reductions on Fannie Mae and Freddie Mac loans due to taxpayer costs and other issues came under sharp criticism during a Senate subcommittee hearing Thursday. John DiIorio, CEO of [1st Alliance Lending](#), a mortgage origination firm, argued in support of principal reduction, even when analyzing the benefits from a bottom-line perspective, not simply as a form of aid." [Click here for more.](#)

[Click here](#) to view testimony from the hearing entitled "**Strengthening the Housing Market and Minimizing Losses to Taxpayers**." The witnesses included: Mr. John C. DiIorio, CEO, 1st Alliance Lending; Dr. Mark Calabria, Director of Financial Regulation Studies, CATO Institute; and Dr. Laurie F. Goodman, Senior Managing Director, **Amherst Securities**.

Rep. Frank joins calls for top Fannie, Freddie regulator to be replaced
Mike Lillis (The Hill)
March 11, 2012

"Rep. Barney Frank has joined the growing chorus of Democrats calling for the removal of the nation's leading housing regulator. The Massachusetts Democrat said Edward DeMarco, head of the federal agency that oversees Fannie Mae and Freddie Mac, has been "too rigid" in his approach to foreclosure prevention and should be replaced. 'He's been too rigid in refusing to help on foreclosures,' Frank, the ranking member of the House Financial Services Committee, said Wednesday. 'He's acting as if he was head of two private companies called Fannie and Freddie and not taking into account the impact this has on the economy, and I think he should be more cooperative with efforts to reduce foreclosures.'" [Click here for more.](#)

California Reinvestment Coalition: 97 California Organizations Demand Immediate Foreclosure Policy Changes from FHFA
Press release
March 15, 2012

"As public frustration with the Federal Housing Finance Agency builds, 97 community groups have submitted a detailed comment letter to Acting Director Ed DeMarco demanding changes to FHFA's foreclosure policies, or his immediate resignation. The 97 groups are united in their concern about homeowners and tenants being displaced by FHFA's damaging policies. Today, the United States Senate Banking Committee will hear more flawed justifications about these policies from Mr. DeMarco. Mr. DeMarco should drop his script, and start listening to the collective voice of his critics. The Federal Housing Finance Agency, under the guidance of Acting Director Ed DeMarco, has failed to prioritize the needs of homeowners who are struggling to make their mortgage payments. As the conservator of Fannie Mae and Freddie Mac, FHFA controls nearly 60% of all home loans in the United States. The $26 billion Attorneys General settlement requires banks to provide $18 billion in principal reduction, HAMP has incentivized principal reduction, but until Fannie Mae and Freddie Mac start allowing principal reduction, the majority of American homeowners will be left out to dry. It's up to Mr. DeMarco to help them. [Click here for more.](#)

Peter S. Goodman: Ed DeMarco's Refusal on Principal Reductions Grounds for Firing
Peter S. Goodman (The Huffington Post)
March 12, 2012

"The single largest obstacle to meaningful economic recovery is a man who most Americans have probably never heard of, Edward J. DeMarco. From his perch as acting director of the Federal Housing Finance Agency, DeMarco oversees Fannie Mae and Freddie Mac, the government-owned mortgage behemoths that collectively control about half of all home loans in the land. What he does shapes both the national housing market and the ability of troubled borrowers to hang on to their homes. What he has been been doing lately has been so unhelpful that Democratic lawmakers and grassroots advocacy groups are properly demanding his ouster. DeMarco steadfastly refuses to allow Fannie and Freddie to help distressed homeowners by writing off principal balances on their mortgages. This has ensured that tens of millions of borrowers remain "underwater," meaning they owe the banks more than their homes are worth -- a status that has an alarming tendency to portend foreclosure. His refusal is based on logic that is both elegantly simple and tragically flawed: He is responsible for cleaning up the books at Fannie and Freddie, so he is against spending money." *Click here for more.*

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Executive Compensation

Pressure on SEC to Implement Rule Disclosing CEO to Median Worker Pay
Susanna Kim (ABC News)
March 13, 2012

"Danny Stauffer of Milwaukee has been working as a baker at Walmart for almost five years. His salary is $9.40 an hour, up from a starting wage of $7.11. Stauffer, 26, said has tried to work full-time at the company but hasn't had success. 'I actually like the work I do,' he said. 'The people I work with, the work itself – they're all great. It just doesn't pay the bills.' A provision of the Dodd-Frank financial regulatory reform act proposes that public companies disclose the ratio of the CEO's pay to that of the median salary of company workers. But two years after Dodd-Frank was passed, the Securities and Exchange Commission (SEC) has not yet implemented the rule or initiated the rule-making process. Business groups have opposed the rule, while advocates for corporate reform have pressured the regulatory agency to work quickly. …Last week, Schapiro testified before the House appropriations committee, saying the agency has heard from 'a lot from stakeholders' and conducted 'many meetings' on the provision. Schapiro said the statute is 'quite prescriptive' and 'creates some challenges I think for us as we write the rule to not have a deadline, so we haven't missed a deadline yet, although there's obviously interest in our -- in our getting this done. ''But some of the challenges relate to the fact that many companies have hundreds or thousands or tens of thousands of employees overseas, how to count them, how to arrive at an average compensation number, whether to count employees who are part-time, or employees of joint ventures, for example,' she said." *Click here for more.*

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Student Lending

Richard Cordray Talks Student Lending, For-Profit Colleges with Campus Progress
Naima Ramos-Chapman (Campus Think Progress)
March 12, 2012

"Richard Cordray, the newly minted director of the Consumer Financial Protection Bureau, is ensuring some of the agency's focus is placed on student debt. The bureau announced that it will begin taking complaints from Americans who borrowed money to finance their education—whether difficulties in taking out private loans, repaying the debt, or managing loans that have gone into default. The move is a particularly important one for private borrowers as non-bank lenders had little federal oversight and often-lax regulations prior to Congress passing the Dodd-Frank Wall Street Reform and Consumer Protection Act. Campus Progress spoke with Cordray and the agency's new Student Loan Ombudsman, Rohit Chopra, about the complaint

system and what the bureau has in the works to help protect the rights of thousands of young Americans who borrow to pay for higher education. The edited interview follows." Click here for more.

Click here to view the CFPB's press release on accepting complaints about student loans.

Student Loan Debt For College Graduates Closing In On $900 Billion
Matthew L. Higgins (CBS DC)
March 9, 2012

"Millions of college graduates are already in the red as soon as they get into the 'real world.' According to a recent report from the Federal Reserve Bank of New York, outstanding student loan debt now stands at $870 billion, easily surpassing other forms of debt, including the $693 billion credit card debt and the $730 billion auto loan debt. With student loan debt expected to rise, recent grads are looking for any job they can get their hands on, even if it means restricting their search in ways that may hinder future opportunities." Click here for more.

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FTT

Dean Baker & Helene Jorgensen: The Relationship Between Financial Transactions Costs and Economic Growth
Dean Baker and Helene Jorgensen
March 2012

"The opponents of financial transactions taxes (FTTs) have argued that the imposition of such taxes will slow economic growth by raising the cost of capital. The argument is that if the cost of buying and selling stock and other financial assets is higher, then it makes it more expensive for firms to raise capital. This is true even if the initial sale is exempted from the tax, since the fact that future sales will be subject to the tax will lower the price of stocks sold in the secondary market, which would mean that even initial offerings will command a lower price. However, there are reasons for believing that offsetting factors could mean that higher transactions costs do not have a negative impact on growth and could even have a positive impact. This paper reviews some of the arguments as to why higher transactions costs may actually lead to better working financial markets. It then examines the relationship between growth and transactions costs for a limited set of countries for which transactions cost data are available. It finds that for this group of countries that is a strong positive relationship, with higher transactions costs actually being associated with higher growth." Click here for more.

EU Ministers Seek More Study of Financial-Transaction Tax
Rebecca Christie and Gregory Viscusi (Bloomberg)
March 13, 2012

"European Union finance ministers remain divided on a financial-transaction tax, with France, one of the main backers of the levy, saying it will allow more time to reach an accord. The ministers did not reach any decisions during debate in Brussels today. They called for more study how much tax banks pay and pledged to reconsider the issue later this year, along with possible alternatives to the EU's existing proposal. 'We hope for an accord that's as broad as possible, and we will take the time necessary to find as large an accord as necessary, which is what's wanted by the citizens of Europe,' French Finance Minister Francois Baroin said as he arrived at the meeting. France in the past has pressed for speedier passage by a smaller group of nations if no broader coalition emerges." Click here for more.

Avinash Persaud: The Economic Consequences of the EU Proposal for a Financial Transaction Tax
Avinash Persaud
March 2012

"There is no subject certain to raise the hackles of London bankers more than a financial transaction tax. In terms of unleashing a torrent of abuse, it even edges out the European Commission. No surprise then, at the strength of the reaction to the proposal in September 2011 by the European Commission for an EU wide,

0.1% tax on transactions carried out by financial intermediaries on equities and bonds, and a 0.01% tax on transactions in derivatives. The traditional response of all powerful industries under pressure, be it the tobacco industry in the 1970s or banking today, is to pursue a strategy of obfuscation. What draws me to this subject is not the 'bashing bankers' party, but the disproportionate, inconsistent and disingenuous arguments used by my fellow bankers against this proposal. The purpose of this paper is to provide greater perspective to the issues of revenues, avoidance and economic impact of a financial transaction tax. Listening to some bankers you would think that a 0.1% tax would usher in nuclear winter. Can the highly paid expertise, innovation, credibility and connectivity of our bankers not compete against a tax of one tenth of one percent? This is the largest sector in the UK, are its fortunes really hanging on such a thin thread. One wonders how much valued added our financial sector can bring if it can be so threatened by so small a tax. You would also be excused from thinking after hearing some of the responses to the tax, that taxes are an especially poisonous burden on transactions, but the economic and market impact of transaction taxes are no greater than other transaction costs such as trading commissions, spreads, price-impact of trading, clearing, settlement, exchange fees and administration costs which, just ten years ago, were collectively greater than they are today in the equity markets, by the amount of the proposed tax. If tiny levies on trading activities would cause such damage to the wider economy." [Click here for more.]()

See *'Upcoming Events'* for "Campaigning on Financial Transactions Taxes: A Global Progress Report with David Hillman" – a brown bag lunch sponsored by The Institute for Policy Studies, Americans for Financial Reform, Health GAP, National Nurses United, and RESULTS.

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Big Banks, Money, and Politics

Bachus survives primary challenge
Alex Isenstadt (Politico)
March 13, 2012

"Incumbents survived Tuesday's Alabama and Mississippi House primaries, beating back opponents who sought to exploit the rampant anti-Washington sentiment that is threatening members of both parties. In the evening's headliner, Alabama Rep. Spencer Bachus, the powerful House chairman who is under investigation over allegations that he engaged in insider trading, survived a stiff Republican primary challenge that presented the incumbent with the most serious threat of his 20-year Capitol Hill career. With more than 80 percent of the vote in, Bachus led state Sen. Scott Beason 58.6 percent to 27 percent, surpassing the 50 percent margin he needed to avoid a late primary runoff. …The allegations confronting the congressman stemmed from a book published late last year, 'Throw Them All Out,' by conservative author Peter Schweizer. In the book, Schweizer wrote that Bachus, the top Republican on the House Financial Services Committee, traded stocks while he was receiving confidential briefings from the Treasury Department amid the 2008 financial crisis. CBS's "60 Minutes" also aired a segment exploring whether Bachus was using his position in Congress to enrich himself. But the congressman denied the allegations. In January, he wrote a letter to the Birmingham News rebutting the book." [Click here for more.]()

Seven in 10 Would Send Super PACs Packing
Damla Ergun (ABC News)
March 13, 2012

"Super PACs are unwelcome guests at the 2012 election party: Seven in 10 Americans say these private, campaign-spending organizations should be illegal. Echoing widespread disapproval of the U.S. Supreme Court ruling that authorized super PACs in 2010, a bipartisan 69 percent in this [ABC News/Washington Post poll]() would ban them now. More than half, 52 percent, feel that way strongly. Exercising what the high court characterized as free speech, these privately run political action committees can raise unlimited money from individuals, corporations and unions. They're estimated to have spent $75 million to date on the 2012 election cycle, including nearly $70 million on the presidential contest – more than the candidates' campaigns themselves." [Click here for more.]()

Group offers $25,000 reward for exposing secret corporate giving
Matea Gold (LA Times)
March 12, 2012

"Got the goods on a secret donation your company is making to a politically active group? You could make a pretty penny. A union-backed organization is offering a $25,000 reward to the first employee who comes forward with 'documentary evidence' that a company is secretly funding a nonprofit organization active in the 2012 campaign. The offer by ***Americans United for Change*** *came as part of a new campaign announced Monday by a coalition of liberal and campaign finance reform groups that are pressuring corporations not to spend money on politics. The organizations – which include* ***Common Cause****,* ***Public Citizen****,* ***Coalition for Accountability in Political Spending,*** *the* ***Service Employees International Union****,* ***MoveOn.org*** *and* ***Occupy Wall Street*** *– unveiled an array of tactics they plan to use to keep corporate money out of this year's campaign, including consumer boycotts and shareholder initiatives."* *Click here for more.*

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Other

Elizabeth Warren On AIG Tax Break: It's An Extra Bailout Worth Billions
Daniel Wagner (AP)
March 12, 2012

"Former members of a congressional panel that oversaw bailouts during the financial crisis blasted the Treasury Department on Monday for quietly granting a tax break worth billions to insurance giant American International Group. The tax break amounts to a 'stealth bailout' on top of the $182 billion that AIG received from the government, and it unfairly helps AIG, its shareholders and executives, former oversight panel chair Elizabeth Warren and others said. Warren, who also is a consumer advocate and Democratic candidate for U.S. Senate from Massachusetts, told reporters that tax breaks accounted for 90 percent of AIG profits last quarter. 'We think it's time for Congress to end the special tax break,' she said." *Click here for more.*

First Look: Labor Pressed on Fiduciary Definition
Ben White (Politico's Morning Money)
March 13, 2012

" From release going out later this morning from the Financial Services Institute and the Financial Services Roundtable: 'Late last year, more than 50 House Republicans and 30 House Democrats sent the Department of Labor two separate letters regarding the Department's attempt to redefine the term 'fiduciary.' The letters directed the Department to follow a set of criteria while writing their new rule - a rule that threatens to price Main Street Americans out of financial advice on their IRAs leaving only the wealthy with access to advice. Today, the Financial Services Institute (FSI) and the Financial Services Roundtable call on Secretary Hilda Solis to release a progress report on the Department's efforts in re-proposing this rule, and to show how it is following to the criteria outlined by this strong, bi-partisan Congressional request.' Full release: http://bit.ly/wBENXF Letter to Solis: http://bit.ly/xSzp5f"

Whistleblowers drawn by tip-off payouts
Kara Scannell in New York (FT – registration required)
March 12, 2012

"Company informants tempted by the prospect of multimillion dollar payouts are rushing to US regulators with audio recordings and internal documents to take advantage of a new programme that can make whistleblowing on wrongdoing lucrative , lawyers and regulators say. Many of the complaints, lawyers say, involve allegations of accounting fraud and foreign bribery at financial and industrial companies. Others include allegations of market manipulation or other crimes by hedge funds and private equity firms." *Click here for more.*

R. Christopher Small: The Political Economy of Dodd-Frank
R. Christopher Small (Co-editor, HLS Forum on Corporate Governance and Financial Regulation)
March 12, 2012

"*Editor's Note: The following post comes to us from [John C. Coffee Jr.](), Adolf A. Berle Professor of Law at Columbia University Law School. For a number of years, commentators have noted that securities 'reform' legislation seems to be passed only in the wake of major stock market crashes, with this pattern dating back to the South Sea Bubble. Some have argued that this pattern demonstrates the undesirability of such legislation, arguing that laws passed after a market crash are invariably flawed, result in "quack corporate governance" and 'bubble laws,' and should be discouraged. Recently, this criticism has been directed at both the Sarbanes-Oxley Act and the Dodd-Frank Act. The forthcoming* Cornell Law Review *article, [The Political Economy of Dodd-Frank: Why Financial Reform Tends to be Frustrated and Systemic Risk Perpetuated](), presents a rival perspective. Investors, it argues, are naturally dispersed and poorly organized and so constitute a classic 'latent group' (in Mancur Olson's terminology). Such latent groups tend to be dominated by smaller, but more cohesive and better funded special interest groups in the competition to shape legislation and influence regulatory policy. This domination is interrupted, however, by major crises, which encourage 'political entrepreneur'" to bear the transaction costs of organizing latent interest groups to take effective action. But such republican triumphs prove temporary, because, after the crisis subsides, the hegemony of the better organized interest groups is restored." [Click here for more.]()*

Scott Klinger: Look who pays less in taxes than Buffett and Romney
Scott Klinger, tax policy director, Business for Shared Prosperity (The Hill's Congress Blog)
March 1, 2012

"Corporations pay a lower effective tax rate than Warren Buffett and Mitt Romney, but you wouldn't know it from all the complaints that our corporate tax rate puts our country at a competitive disadvantage. Last year, U.S. corporations paid just 12.1 percent of their earnings in federal corporate income taxes. Buffett's tax rate is 17.4 percent; Romney's reported 2010 tax rate was 13.9 percent. The corporate tax system is riddled with loopholes and subsidies that do create competitive problems, but not the ones CEOs are talking about. Our broken tax system blesses U.S. multinational corporations with lots of loopholes that enable them to pay less in taxes than Main Street businesses. It allows large companies, even those in the same industry, to pay vastly different tax rates. It has starved our government of revenue, adding to the pressure for deep budget cutbacks rather than the investments needed to rebuild our crumbling infrastructure, educate our children and support the innovation needed for economic success. …One way Congress could address closing loopholes right now is through the Cut Unjustified Tax Loopholes Act introduced by Senators Carl Levin of Michigan and Kent Conrad of North Dakota. It would crack down on offshore tax haven abuses and close tax loopholes that encourage corporations to move jobs abroad. ….Scott Klinger is tax policy director of Business for Shared Prosperity, a national network of business owners, executives and investors." [Click here for more.]()

Matt Taibbi: Bank of America: Too Crooked to Fail
Matt Taibbi (Rolling Stone)
March 14, 2012

"At least Bank of America got its name right. The ultimate Too Big to Fail bank really is America, a hypergluttonous ward of the state whose limitless fraud and criminal conspiracies we'll all be paying for until the end of time. Did you hear about the plot to rig global interest rates? The $137 million fine for bilking needy schools and cities? The ingenious plan to suck multiple fees out of the unemployment checks of jobless workers? Take your eyes off them for 10 seconds and guaranteed, they'll be into some shit again: This bank is like the world's worst-behaved teenager, taking your car and running over kittens and fire hydrants on the way to Vegas for the weekend, maxing out your credit cards in the three days you spend at your aunt's funeral. They're out of control, yet they'll never do time or go out of business, because the government remains creepily committed to their survival, like overindulgent parents who refuse to believe their 40-year-old live-at-home son could possibly be responsible for those dead hookers in the backyard." [Click here for more.]()

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Upcoming Events

Capitol Hill

House Committee on Financial Services

Hearing entitled "The Future of Money: How Mobile Payments Could Change Financial Services"
Financial Institutions and Consumer Credit
March 22, 2012 10:00 AM in 2128 Rayburn HOB

Hearing titled "H.R. _______, the Swap Data Repository and Clearinghouse Indemnification Correction Act of 2012"
Capital Markets and Government Sponsored Enterprises
March 21, 2012 10:00 AM in 2128 Rayburn HOB

Hearing entitled "Hearing to Receive the Annual Testimony of the Secretary of the Treasury on the State of the International Financial System"
Full Committee
March 20, 2012 10:00 AM in 2128 Rayburn HOB

House Small Business Committee

A Job Creation Roadmap: How America's Entrepreneurs Can Lead Our Economic Recovery
Full Committee
Wednesday, March 21, 2012

House Committee on Agriculture

Wednesday, March 21, 2012 – 10:00 a.m.
1300 Longworth House Office Building
Washington, D.C.
Subcommittee on Rural Development, Research, Biotechnology, and Foreign Agriculture—Public Hearing
RE: To Identify Duplicative Federal Rural Development Programs

Tuesday, March 27, 2012 – 10:00 a.m.
1300 Longworth House Office Building
Washington, D.C.
Subcommittee on Conservation, Energy, and Forestry—Public Hearing
RE: U.S. Forest Service Land Management: Challenges and Opportunities

Farm Bill Field Hearings

Friday, March 23, 2012 – 9:00 a.m. CDT
Carl Sandburg College, Building F, Gymnasium
2400 Tom L. Wilson Blvd.
Galesburg, IL 61401
Full Committee on Agriculture—Field Hearing
RE: The Future of U.S. Farm Policy: Formulation of the 2012 Farm Bill

Friday, March 30, 2012 – 9:00 a.m. CDT
Riceland Hall, Fowler Center
Arkansas State University
201 Olympic Drive
State University, AR 72467

Friday, April 20, 2012 – 9:00 a.m. CDT
Magouirk Conference Center
4100 W. Comanche
Dodge City, KS 67801

Committee on Oversight and Government Reform

March 21, 2012
FOIA in the 21st Century: Using Technology to Improve Transparency in Government
2154 Rayburn House Office Building

Europe's Sovereign Debt Crisis: Causes, Consequences for the United States and Lessons Learned
2154 Rayburn House Office Building

March 19, 2012
Failure to Recover: The State of Housing Markets, Mortgage Servicing Practices, and Foreclosures
Field Hearing: Brooklyn Borough Hall, located at 209 Joralemon Street, Brooklyn, NY

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

No pertinent markups/hearings scheduled as of 2/24/12

Senate

Senate Banking, Housing, and Urban Affairs Committee

March 21st
Examining Investor Risks in Crowdfunding - the witnesses will be: Professor Mercer Bullard, Associate Professor of Law, The University of Mississippi; Mr. Nick Bhargava, Co-Founder, Motaavi, LLC; Ms. Dana Mauriello, Co-Founder, ProFounder; and Mr. A. Heath Abshure, Commissioner, Arkansas Securities Department.
538 Dirksen Senate Office Building
9:30 AM - 11:30 AM

March 20th
Nominations Hearing – committee will conduct a hearing on the following nominees: Mr. Jerome H. Powell, of Maryland, to be a Member of the Board of Governors of the Federal Reserve System; Dr. Jeremy C. Stein, of Massachusetts, to be a Member of the Board of Governors of the Federal Reserve System; Mr. Jeremiah O. Norton, of Virginia, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation; Dr. Richard B. Berner, of Massachusetts, to be Director, Office of Financial Research, Department of the Treasury (New Position); and Ms. Christy L. Romero, of Virginia, to be Special Inspector General for the Troubled Asset Relief Program.
538 Dirksen Senate Office Building
10:00 AM - 12:00 PM

March 22nd
"International Harmonization of Wall Street Reform: Orderly Liquidation, Derivatives, and the Volcker Rule" – full committee hearing with witnesses - The Honorable Lael Brainard, Under Secretary for International Affairs**,** U.S. Department of the Treasury, The Honorable Daniel K. Tarullo, Member, Board of Governors of the Federal Reserve System, The Honorable Elisse B. Walter, Member, U.S. Securities and Exchange Commission, The Honorable Martin J. Gruenberg, Acting Chairman, Federal Deposit Insurance Corporation, and Mr. John G. Walsh, Acting Comptroller, Office of the Comptroller of the Currency.
Thursday, March 22, 2012
10:00 A.M.
Room SD-538, Dirksen Senate Office Building

Senate Committee on Finance

March 20th
Tax Fraud by Identity Theft, Part 2: Status, Progress, and Potential Solutions
Subcommittee Hearing

Senate Committee on Agriculture, Nutrition and Forestry

No pertinent markups/hearings scheduled as of 3/15/12

Senate Committee on Judiciary

Tuesday, March 20th
Subcommittee on Administrative Oversight and the Courts
"The Looming Student Debt Crisis: Providing Fairness For Struggling Students"

SEC

No pertinent markups/hearings scheduled as of 2/24/12

CFTC

CFTC to Hold Open Meeting to Consider One Final Rule

The Commodity Futures Trading Commission (CFTC) will hold a public meeting to consider one Final Rule:

(1) **Final Rule:** Customer Clearing Documentation, Timing of Acceptance for Clearing, and Clearing Member Risk Management.

When: Tuesday, March 20, 2012, 9:30 a.m. (ET)
Where: CFTC Headquarters Conference Center, 1155 21st, NW, Washington DC
Topic: Open meeting to consider one final rule under the Dodd-Frank Act

Viewing/Listening Information: Watch a webcast of the meeting at www.cftc.gov or call-in to a toll-free telephone line to connect to an audio feed. Call-in participants should be prepared to provide their first name, last name and affiliation. Conference call information is listed below:

US Toll-Free: 866-844-9416 - International Toll: International Numbers - Participant Passcode/Pin: CFTC 2012. This event is open to the public on a first-come, first-served basis.- CFTC Press Release 6209-12 - Sunshine Act Notice

The Board of Governors of the Federal Reserve System

Next week, Chairman Bernanke will begin a four-part series on "The Federal Reserve and the Financial Crisis."

Live video will be available March 20, 22, 27 & 29 at 12:45 p.m. ET and on-demand video will be posted after each event.

For information about each lecture topic, presentation materials, and links to the video:
http://www.federalreserve.gov/lectures/?email=1

<u>The Institute for Policy Studies, Americans for Financial Reform, Health GAP, National Nurses United, and RESULTS</u>

Invite you to a brownbag discussion on:

Campaigning on Financial Transactions Taxes: A Global Progress Report with **David Hillman**

Director, Stamp Out Poverty, and Member of the Steering Group of the UK Robin Hood Tax campaign

Institute for Policy Studies
1112 16th St. NW, Suite 600 (16th and L)
Tuesday, March 20, 12-1:30 pm
rsvp to: Sarah@ips-dc.org

David Hillman has been a leader of global civil society advocacy around financial transactions taxes for more than a decade.

<u>National Community Reinvestment Coalition</u>

21012 NCRC Annual Conference
Wednesday, April 18, 2012 at 1:00 PM - Saturday, April 21, 2012 at 4:00 PM (ET)
Washington, United States
Click here for more information.