Course 9

Dodd–Frank Wall Street Reform and Consumer Protection Act (2010)

- A huge piece of legislation – nearly 850 pages (compared to the Glass Steagall Act, 1932, incorporated in Banking Act 1933 – 50 pages)

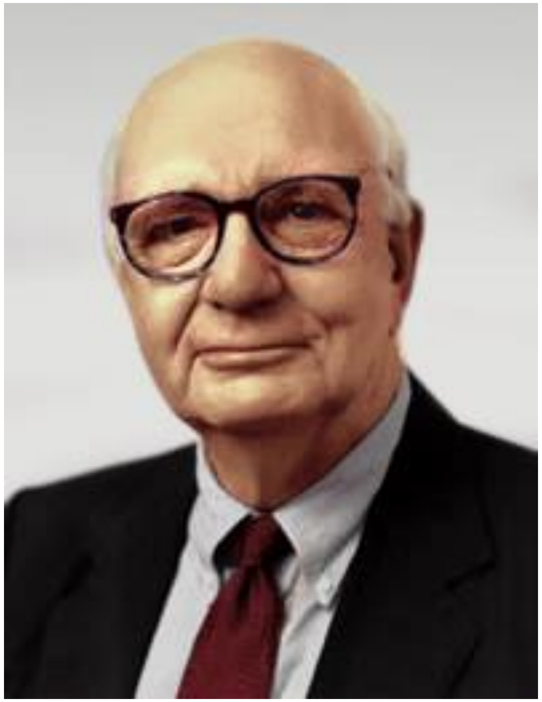
- Several agencies covering many areas

- Raises questions of managing oversight

Some key measures:

- <u>Financial Stability Oversight Council</u> – to monitor firms (too-big-too-fail) – orderly liquidation fund – it can break up banks
- <u>Consumer Financial Protection Bureau</u> – prevents predatory mortgage lending.
- <u>Securities and Exchange Commission (SEC) Office of Credit Ratings</u> – to oversee ratings agencies.
- Whistleblower Program – with bounties from litigation

Volcker Rule



- Prohibits prorpriety trading
- Commercial banks cannot trade on their own account

Rollback on Dodd-Frank: **Economic Growth, Regulatory Relief, and Consumer Protection Act, 2018**

- Eases D-F regs for small and regional banks, by raising asset thresholds for prudential standards: threshold for advanced regulation raised from $50 billion to $250 billion.

- Law exempts lenders with assets less than $10 billion from Volcker rule requirements