Press Releases

Waters: Dodd-Frank Repeal is Truly the Wrong Choice

Washington, DC, June 24, 2016

Congresswoman Maxine Waters (D-CA), Ranking Member of the House Financial Services Committee, released the following statement on legislation Chairman Hensarling unveiled yesterday to repeal critical parts of the Dodd-Frank Act, which would make financial markets less safe and put consumers at risk:

"Chairman Hensarling's plan to kill Wall Street Reform puts special interests ahead of American consumers,"**Rep. Waters said.** "The Wrong Choice Act would allow megabanks and other financial institutions to choose a regulatory regime of their own liking, while limiting choices for consumers to get help when they're ripped off.

"Moreover, the legislation would put our markets at risk and could not come at a worse time. The vote by the people of Britain to leave the European Union and the corresponding tumult in the financial markets shows that financial stability is more important now than ever before, and countries all over the world are looking to the U.S. to provide that stability. Upending our financial system as the Chairman proposes would further destabilize our economy at this critical juncture in history.

"It's abundantly clear that this effort is truly the Wrong Choice for not just America but for the entire world."

The "Wrong Choice Act" would:

- Impose weak capital standards on banks without limits on risky activity, making our financial markets once again subject to the same kind of risky behavior that caused the financial crisis.
- Repeal Orderly Liquidation Authority, the mechanism by which failing financial institutions are safely wound down so they don't present a risk to the economy. It is replaced with an enhanced bankruptcy that would be insufficient to handle the failure of a large financial institution like Lehman Brothers.
- Repeal the Volcker Rule, which is designed to stop banks from gambling with taxpayer money.
- Repeal the Financial Stability Oversight Council's (FSOC) ability to designate non-banks as systemically important financial institutions (SIFIs). AIG was a non-bank SIFI; to date, the FSOC has designated four non-banks as SIFIs because they determined that due to their size and activities they posed a risk to our financial markets if they were to fail.
- Abolish the Office of Financial Research, which provides research and information to help inform the FSOC's deliberations.
- Gut the Consumer Financial Protection Bureau (CFPB) by making it a commission, subjecting it to the annual appropriations process, and preventing it from stopping abusive practices.
- Subject **all** federal financial regulators to the annual appropriations process, thereby politicizing regulatory oversight and placing funding for financial regulators at risk.
- Turn the Office of the Comptroller of the Currency (OCC) and the Federal Housing Finance Agency (FHFA) into slow-moving commissions, injecting them with unnecessary layers of bureaucracy and political gridlock.
- Place monetary policy at risk by curtailing the Federal Reserve's discretion in taking into account a wide range of dynamic economic data and subjecting policy decisions to short-term political pressure.

- Hinder the SEC's efforts to promulgate a fiduciary rule that is consistent with the Department of Labor's recently finalized rule, to the detriment of American seniors and investors and to the benefit of unscrupulous financial advisers.

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