

## [Banking and Finance Law Daily Wrap Up, DODD-FRANK ACT—Bill to modify Dodd-Frank receives support, opposition in Senate debates, \(Mar. 8, 2018\)](#)

Banking and Finance Law Daily Wrap Up

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By [Stephanie K. Mann, J.D.](#)

Speaking on the Senate floor, Sen. Mike Crapo (R-Idaho) highlighted the many benefits of his bill, the *Economic Growth, Regulatory Relief and Consumer Protection Act* (S. 2155) which recently passed a cloture vote to bring the bill to a full Senate debate (see *Banking and Finance Law Daily*, [March 6, 2018](#)). According to Crapo, the bill [would](#) reduce regulatory burdens on community banks and credit unions while maintaining key protection to ensure the safety and soundness of the financial system.

**S. 2155.** Among other things, the bill seeks to change the regulatory framework for large banks with assets over \$50 billion and for small depository institutions with assets under \$10 billion—generally, community banks. Truth in Lending Act amendments would allow community banks to waive "ability to repay" requirements for residential mortgage loans under certain circumstances, and Bank Holding Act amendments would exempt community banks from certain "Volcker Rule" requirements. In addition, the measure would make changes to regulations governing consumer mortgages, consumers' access to credit, and credit reporting.

**Support.** Joining Crapo in his support of the bill is Sens. [David Perdue](#) (R-La) and Mike Rounds (R-SD). The legislators believe that the bill will provide "much-needed" regulatory relief to community banks and credit unions, which have been severely impacted by the Dodd-Frank Act.

"Just in the last year, we enacted historic tax reform, we've undone burdensome and unnecessary regulations at a record pace, and we're restoring the American people's confidence at levels not seen in decades," [said](#) Rounds." Making sure American families and businesses have access to credit when they need it is critical as we work to further grow our economy and create jobs."

Majority leader Mitch McConnell (R-Ky) emphasized in his support the important role that community banks play in lending to small businesses. "In this era of online banking and multinational corporations, smaller institutions remain uniquely able to build community connections. Community bankers get to know residents and business owners on a personal level," [said](#) McConnell. "That perspective lets them extend credit to small-scale entrepreneurs, farmers, ranchers, and other Americans who might not have access otherwise. So when small lenders close their doors, the effects on communities are very real."

**Opposition.** Warning that passage of this bill will send the country into another bank bailout was Sen. Sherrod Brown (D-Ohio), Ranking Member of the Banking Committee. Brown [cited](#) the Congressional Budget Office, the independent, non-partisan scorekeeper, which confirmed that the bill would increase the probability of a big bank failure and a financial crisis, and add \$671 million to the deficit. He concluded his floor speech by posing, "Whose side are we on? Megabank lobbyists, or American taxpayers and homeowners and students and workers?"

U.S. PIRG [expressed](#) its concern about the ability of consumers to protect themselves from identity thieves, particularly following the Experian data breach. "In addition to putting borrowers at risk of mortgage fraud and discrimination and putting our economy at risk of another crisis, this bill includes a credit freeze provision that preempts and replaces state freeze laws with a new federal law that could weaken your credit security—and cost you even more, depending on where you live."

**Amendments offered.** To highlight the serious flaws with the legislation roll back rules on the biggest banks in the country, Sen. Elizabeth Warren (D-Mass) has [filed](#) 17 amendments. The amendments include prohibiting

rolling back the rules on any big bank that got more than \$1 billion in bailout money, striking provisions of the bill that exclusively benefit the biggest Wall Street banks, imposing mandatory penalties on companies like Equifax when they lose consumer data, and prohibiting employers from requesting credit reports as part of the job application process.

Senators John Kennedy (R-La) and Brian Schatz (D-Hawaii) have [introduced](#) an amendment to make it easier for consumers to protect their credit and fix mistakes in the wake of the Equifax security breach. The amendment tasks the Big Three credit reporting agencies—Equifax, Experian, and Transunion—with developing an online portal for consumers to check their credit reports and credit scores for free. Consumers would be able to easily freeze their credit if they find suspicious activity and would be able to find and fix mistakes as well as opt out of having their data shared or sold to third parties.

Currently, 110 amendments have been [introduced](#).

Companies: Equifax; Experian; Transunion U.S. PIRG

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