

General

Leading Dems For Dodd-Frank Reform Before They Were Against It

December 10, 2014 | [Kevin Smith](#)

Some Democrats are decrying the inclusion of a common-sense Dodd-Frank reform in the [FY 2015 Omnibus Appropriations bill](#) – a [bipartisan](#), House-passed reform that would protect manufacturers, farmers, ranchers, and Main Street businesses from onerous regulations that will hurt our economy. **Yet those same members, including former Financial Services Committee Chairman Barney Frank (D-MA) and current Committee Ranking Member Maxine Waters (D-CA) once supported the very same provision.** Here's what they said in 2012, in the "[minority views](#)" section of the committee report for this same bill:

The Wall Street Reform and Consumer Protection Act requires, for the first time, the regulation of over-the-counter derivatives, previously opaque transactions that helped bring our financial system to the brink of disaster. The vast majority of derivatives must now be centrally cleared and publicly reported, and be backed by margin and capital to ensure that swap dealers and major swap users can honor their commitments. In addition, the reform law also prohibits banks from placing bets with federally insured deposits through the 'Volcker Rule'. Both measures serve as important safeguards as we rebuild trust in our financial system.

*As amended, H.R. 1838 would repeal portions of Section 716 of the financial reform law, also known as the 'push-out provision.' Section 716 prohibits banks from engaging in several types of derivatives. **Questions have been raised about this provision by economists and regulators including FDIC's Sheila Bair, who are concerned that it might interfere with a bank's ability to use derivatives to diminish risk. Section 716 was not part of the original House-passed version of the financial reform law.***

During the Full Committee markup, Democrats worked with the Majority to amend H.R. 1838 to continue the prohibition of complex swaps employed by AIG with devastating effect. H.R. 1838, as amended, addresses the valid criticisms of Section 716 without weakening the financial reform law's important derivative safeguards or prohibitions on bank proprietary trading.

Barney Frank

Wm. Lacy Clay

Gwen Moore

James A. Himes

Ruben Hinojosa

Andre Carson

Gary L. Ackerman

Al Green

Stephen F. Lynch

David Scott

Maxine Waters

Carolyn B. Maloney

Melvin L. Watt

Luis V. Gutierrez

Gary C. Peters

Ed Perlmutter

Michael E. Capuano

Gregory W. Meeks