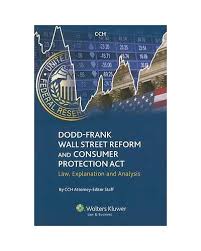
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dodd-frank wall street reform & consumer protection act

**Introduction:**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted into law on July 21, 2010, was a direct response to the terrible financial crisis of 2007–2008. This historic legislation, named after its authors, Senator Christopher Dodd and Representative Barney Frank, sought to rectify fundamental flaws discovered in the United States' financial system during the crisis. Dodd-Frank aimed to avert future economic downturns and enhance financial market stability by revamping financial regulations and strengthening consumer rights.





**History:**

The financial crisis was brought on by a number of reasons, including the collapse of the mortgage market, widespread subprime lending practices, and the consequent fall of the housing bubble. These incidents highlighted the systemic dangers posed by "too big to fail" financial firms while also exposing shortcomings in regulatory supervision and market transparency. In response, Dodd-Frank established broad goals to improve financial stability, protect consumers from abusive financial practices, and boost transparency in financial markets.

**Framework:**

1. **Rulemaking and Regulatory Agencies:** Dodd-Frank is being implemented by a number of regulatory bodies, including the Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), and the Federal Reserve. These authorities are in charge of rulemaking and enforcement, collaborating to harmonise regulations and monitoring compliance.
2. **Compliance Issues and Costs:** Financial institutions confront enormous expenditures in complying with new rules and adapting their operating operations. Smaller institutions, in particular, may struggle to satisfy certain regulatory standards compared to bigger banks.

**Conclusion:**

The Dodd-Frank Act represents a watershed moment in American financial history, prioritising stability, consumer protection, and market openness while reinforcing the system against future catastrophes. As regulatory agencies adjust to new challenges and technological breakthroughs, the continuing examination and refining of Dodd-Frank rules is critical to ensuring a strong financial framework.

