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The 2008 Financial Crisis was a stock-market crash that left the economy in shambles and pushed many legislators into action to avoid another Great Depression. There are many regulatory bodies that oversee the stock market and the banking systems, and congress dictates how these bodies interact with the US economy. Congressional actors have to find a balance between protecting consumers from banks while not being so harsh on the banks as to cause them to collapse. *Acts of Congress* by Robert G. Kaiser specifically focuses on a case study of the Dodd-Frank Wall Street Reform and Consumer Protection Act; this is a landmark piece of legislation that required quite a bit of care to establish as there was immense political and public pressure to get this bill right.

The main legislative actors who wrote this bill were Barney Frank and Chris Dodd. Barney Frank was a member of the U.S. House of Representatives as a Democrat from Massachusetts. Chris Dodd was a member of the U.S. House of Representatives in Connecticut and eventually decided to run to be a Senator. He is also a Democrat and is the main advocate for including consumer protection in the plan of financial reform following the economic crisis of 2008. The passage of the Dodd-Frank Act serves as a critical case study demonstrating core American political science concepts, specifically highlighting the committee system's role in policy formulation, the complex negotiation required between the House and Senate, and the strategic influence of a minority party in modern, polarized governance. I will examine how the committee system works to affect policy, how the minority party can strategically affect legislation, and how the House of Representatives and Senate collaborate to pass legislation.

Committees

Committees act as specialized agents of Congress and exist to implement policies that elected officials will decide upon. Specifically committees are where, “much of the detailed

legislative work in congress occurs” (Noel, 2025a). Congressional actors are able to use these committees to shape the specific bill of interest, and the committee chairperson is able to use their power to help time the legislation and facilitate negotiations. Important committees for this legislation include the House Committee on Financial Services and the Senate Committee on Banking, Housing and Urban Affairs. During the period of the Frank-Dodd legislation, Barney Frank and Chris Dodd were the chairmen of these respective committees (Kaiser, 2014).

Because Frank was the Chairman, he was able to prioritize the White Paper’s goals and was able to manage the proposals and flow of amendments (Kaiser, 2014). He was able to maintain this control while still having the support of the party caucus. Frank was able to hold many hearings to educate junior members and give them a sense of ownership over the bill. His approach worked, and he was able to have all the committee Democrats stay loyal to him and his goal.

Staff are vital to the effectiveness of a committee. There is an implicit issue in bureaucracy with the principal-agent problem. Elected officials (principals) rely on their staff members (agents) to implement policy, and agents may drift from their mandates in order to promote their own agenda (Noel, 2025c). However, in the case of the Dodd-Frank bill, there were staff that were fully aligned with the goals of the Frank, thus eliminating the principal-agent problem. Some of these staff members were Jeanne Roslanowick, Frank’s staff director, and Amy Friend, the chief counsel for the Senate Banking Committee. Kaiser (2014) notes that the staff members were the ones who took on most of the work of drafting the bill and that Frank was responsible for supervision and would, “occasionally … propose a phrase or a sentence” (p.152).

These staff members would often interface with lobbyists to be able to hear differing perspectives about the ramifications of this bill. These lobbyists would “give advice, information, and petition politicians about policy” (Noel, 2025b). It was the job of the staff members to ensure they could understand the messages these lobbyists were sharing as many of these staff members and members of congress were ignorant about many of the specific intricacies of the U.S. Financial System. Roslanowick (as cited in Kaiser, 2014, p.153) stated, “Lobbyists help us understand if we are solving a problem effectively. You never want to rely on one source.” This quote provides insight into the value that Roslanowick placed on the lobbyists she was collaborating with.

The work to edit the bill happened in the committee markup session. In the Financial Service Committee, Frank used an unprecedented inclusive approach. This allowed for 36 amendments to reach the floor. Although this process was messy, it was vital to ensure the bill had full Democratic support across the range of Demographic ideologies that were in this Committee (Kaiser, 2014). One of the pivotal compromises in this bill was known as the Frank-Fine deal, and it allowed for banks with under \$10 billion in assets to be exempt from some of the Consumer Financial Protection Agency rules (p. 139). This compromise shows how committee chairs can use their power to negotiate deals and keep legislation moving.

Minority Party Power

While committees are the stage for the early steps of the legislative process, the Senate grants the minority party influence through the filibuster. As discussed in class (Noel, 2025b), the filibuster creates a pivot point, and any policy change must be acceptable to at least sixty senators. This can effectively give the minority party a veto, assuming that the minority party has at least 41 seats or 41 allied seats in the Senate. In the case of Dodd-Frank, Republicans were

outnumbered by Democrats. As the minority party, the Republicans used the veto power to gain concessions and shape the public narrative. Kaiser (2014) reveals that Republicans faced a dilemma with this legislation. Many of the Republicans at the time were philosophically opposed to any increase in regulation, but they understood that after the financial crisis, they, “could not afford the political risk of not participating in ‘the process of regulatory reform’” (p. 126). To participate, they produced their own plans to show voters they had ideas and created a slogan: “No more bailouts!” (p.125).

Mitch McConnell, the Republican leader, made it clear that he would not allow the bill to proceed unless the CFPRA was weakened or eliminated. Dodd was forced to find a Republican partner who could deliver enough votes for cloture. Bob Corker, a junior Republican from Tennessee, was a potential ally. Dodd and Corker spent weeks negotiating a bipartisan version of the bill, and they were able to make progress on issues like the structure of the consumer agency. Still, Corker was forced to back down from this collaboration after he was pressured by McConnell and Richard Shelby, the ranking Republican on the Banking Committee, to do so.

The influence of the minority was not limited to the procedural advantages given to them by the cloture vote, but extended to the access they had to institutions outside of Congress. Kaiser noted that, “The one reliable reward for making campaign donations was access. Members of Congress accepted the proposition that someone who has given them money should be able to convey their view to the member or his or her staff” (p. 130). The Republican minority was able to use their relationship with financial industry lobbyists to amplify and strengthen their arguments.

Consensus Between the House and the Senate

After each chamber passes its version of a bill, the differences must be reconciled (Noel, 2025b). The Constitution requires that both houses agree on identical text before the bill can reach the president's desk. The process can be an informal "ping-pong" or it can be a formal conference committee. Dodd-Frank employed the conference committee, and the conference became a microcosm of the entire legislative structure. This conference highlighted the distinct cultures of the House and Senate and the importance of public visibility in overcoming special-interest pressure.

The House and Senate are designed differently, and those differences were on full display during the drafting of Dodd-Frank. The House moved quickly from its strict rules and strong leadership. Frank, with the support of Nancy Pelosi, pushed the bill through the Financial Service Committee and onto the floor within months. The Rules Committee limited amendments to a reasonable number, and the Democratic majority could pass their preferred version without it being bogged down. Conversely, the Senate is more individualistic and allows any senator to derail legislation. Dodd understood that success of the bill would require at least an appearance of bipartisanship. Dodd worked tirelessly with Shelby and Corker to make this bill appeal enough to the Republican party, even when these efforts seemed futile.

The 60-vote threshold of the Senate was the greatest obstacle for the Dodd-Frank bill. The Democrats lost their supermajority when Scott Brown was elected as a Republican from Massachusetts, replacing a Democrat. Because of Brown, Dodd would need at least one Republican to be able to invoke Cloture. The political mood shifted after the passage of the healthcare reform, and public outrage over the Goldman Sachs scandal increased pressure on the Republicans to allow for the vote (Kaiser, 2014). Ultimately, Dodd secured Brown's support by

granting the Volcker Rule exemption and addressing Brown's concerns about the bill's costs. The cloture vote succeeded and the Senate was able to pass its version as well.

With two different bills passed, the stage was set for a conference committee. Frank insisted on a public conference to make it harder for Wall Street lobbyists to sneak in favorable provisions behind closed doors. The conference committee was composed of seven Democrats and five Republicans and met for several days in a televised session. Members delivered opening statements, but these were heavy on the rhetoric and light on substance. The real work was done by staff members in the preceding weeks. The public nature of this conference allowed Frank and Dodd to frame the debate and portray Republicans as obstructionists when they attempted to make the bill more industry-friendly. The conference resolved many major disagreements, including compromise on the Volcker rule, and eliminating the 50 billion fund for winding down failing banks that was labeled a "bailout fund."

When the conference report returned to each chamber, it passed largely along party lines. In the house, the vote was 237 - 192 and in the Senate the vote was 60 - 39. President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law on July 21, 2010.

Conclusion

The passage of the Dodd-Frank Act is an example of how Congress operates under conditions of crisis and deep partisan division. The committee system, with its chairs and expert staff, generated the policy details and built the necessary coalitions. The minority party, wielding the filibuster and controlling the public narrative, extracted key concessions and shaped the final product. The negotiation between the two chambers, especially the public conference committee,

reconciled the different approaches to this issue and produced a law that gained enough support to pass.

Dodd-Frank shows the importance of many of the structural concepts present in Congress, but also reveals many truths about Modern Congress. Kaiser concludes that Congress has become a reactive institution (2014). The financial crisis created a unique window of opportunity where Congress felt the need to implement sweeping reforms, and without this opportunity these reforms would have been nearly impossible to pass. The bill's success depended on the expertise of the highly allied staff members, and their relationships with lobbyists. This reflects concepts of principal-agent dynamics of allied staff and Congress Members and the importance of lobbyists for legislation.

Kaiser, R. G. (2014). *Act of Congress: How America's Essential Institution Works, and How It Doesn't*. Knopf Doubleday Publishing Group.

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