Federal policy on financial regulation, 2017-2018

See also: 115th Congress on financial policy, 2017-2018

This page tracked major events and policy positions of the Trump administration and the 115th United States Congress on financial regulation from 2017 and 2018.

President Donald Trump said that a goal of his administration would be to repeal or replace the Dodd-Frank Act. The act, signed into law by President Barack Obama (D), established about 400 new financial regulations and created four new federal agencies responsible for financial regulation and consumer protection in response to the global financial crisis of 2008.

On May 24, 2018, Trump signed S 2155—the Economic Growth, Regulatory Relief, and Consumer Protection Act—into law. The law exempts smaller banks from some of the regulations outlined in Dodd-Frank. Read more about the legislation here.

Click on the timeline below to learn more about each headline.

- **May 24, 2018**: Trump signs bill to roll back some Dodd-Frank financial regulations
- **January 23, 2018**: Senate confirms Jerome Powell as Federal Reserve chairman
- **October 24, 2017**: Senate votes to end CFPB's consumer arbitration rule
- **June 8, 2017**: House passes Financial CHOICE Act
- **April 26, 2017**: House holds hearing on the CHOICE Act
- **April 21, 2017**: Trump issues memos on Dodd-Frank
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Trump Administration

President Donald Trump
Vice President Mike Pence
Cabinet • Transition team

- Financial policy in the U.S.

What is finance and banking policy? Finance and banking policy determine what actions financial institutions, such as banks and insurance companies, may take when conducting their business, as well as how and what agencies may regulate them. Both federal and state governments are responsible for finance and banking policy in the United States.

Policy positions
Domestic affairs: Abortion • Crime and justice • Education • Energy and the environment • Federal courts • Firearms policy • First Amendment • Healthcare • Immigration • Infrastructure • LGBTQ issues • Marijuana • Puerto Rico • Social welfare programs • Veterans • Voting issues
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Polling indexes: Presidential approval • Direction of country

May 24, 2018: Trump signs bill to roll back some Dodd-Frank financial regulations

On May 24, 2018, President Donald Trump signed S 2155—the Economic Growth, Regulatory Relief, and Consumer Protection Act—into law. The law exempts some banks from the Dodd–Frank Wall Street Reform and Consumer Protection Act that was signed into law by President Barack Obama (D) on July 21, 2010.

The law raised from $50 billion to $250 billion the threshold at which banks face stress tests and other rules. It also made community banks eligible for relief from mortgage-underwriting standards. The bill did not change the Consumer Financial Protection Bureau's structure and oversight powers, the Financial Stability Oversight Council, or the Orderly Liquidation Authority to take over failing financial firms.[1][2]

During a signing ceremony, Trump said that the bill was the first step toward ending the regulations instituted under the 2010 law. As a candidate, Trump said that he would work to repeal and replace Dodd-Frank. Referring to the promise, he said, "We've kept a lot of promises. This is truly a great day for Americans, and a great day for workers and small businesses across the nation."[3]

May 22, 2018: House bill to roll back some Dodd-Frank financial regulations to Trump's desk

On May 22, 2018, the House passed S 2155—the Economic Growth, Regulatory Relief, and Consumer Protection Act—by a vote of 258-159. Thirty-three Democrats voted with 225 Republicans to pass the bill. Rep. Walter Jones (R-N.C.) was the only Republican who voted with 158 Democrats against the bill.[4]

Rep. Jeb Hensarling (R-Texas), chairman of the House Financial Services Committee, praised the passage of the bill, saying, "We've been losing a community bank or credit union every other day in America, and with it the hopes and dreams of millions. But today, that changes. Help is on the way."[5]

House Speaker Paul Ryan (R-Wis.) also praised the bill's passage, saying, “This is a major step forward in freeing our economy from overregulation."[6]

House Minority Leader Nancy Pelosi (D-Calif.) and House Financial Services Committee ranking Rep. Maxine Waters (D-Calif.) opposed the bill, writing in a letter to their colleagues, “The American people paid a very high price for the weak oversight and discriminatory lending practices that culminated in the 2008 financial crisis. We must not allow the GOP Congress to drag us back to the same lack of oversight that ignited the Great Recession.”[5]

According to *The Wall Street Journal*, House Republicans wanted to make more significant changes to the law but backed down from those demands after the Senate agreed to vote on a package of House-favored legislation.[6]

March 14, 2018: Senate passes bill to roll back Dodd-Frank financial regulations

On March 14, 2018, the Senate passed S 2155—the Economic Growth, Regulatory Relief, and Consumer Protection Act—by a vote of 67-31.[7][8][9]

Fifty Republicans, 16 Democrats, and Sen. Angus King (I-Maine) voted for the bill. Thirty Democrats and Sen. Bernie Sanders (I-Vt.) voted against the bill. Sens. Martin Heinrich (D-N.M.) and John McCain (R-Ariz.) did not vote.

The White House praised the passage of the bill in the following statement: "President Donald J. Trump commends the Senate, led by Chairman Mike Crapo (R-ID) for passing S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act. The President supports this bill, and as recently noted in a Statement of Administration Policy (SAP), he would sign it into law. The bill provides much-needed relief from the Dodd-Frank Act for thousands of community banks and credit unions and will spur lending and economic growth without creating risks to the financial system. By tailoring regulation, the bill seeks to prevent excessive regulation from undermining the viability of local and regional banks and their ability to serve their communities. The President looks forward to discussing any further revisions the House is interested in making, with the goal of bipartisan, pro-growth Dodd-Frank relief reaching his desk as soon as possible."[10]

House Republicans call for negotiations

After the bill passed, House Republicans called on members of the Senate to negotiate some provisions of the bill. House Financial Services Committee Chairman Jeb Hensarling (R-Texas) said, "We're not rubber-stamping the Senate bill. Their bill is staying on the Speaker's desk unless and until they're willing to negotiate with the House."[11]

In June 2017, the House passed HR 10—the Financial CHOICE Act of 2017—a bill sponsored by Hensarling. It proposed repealing about 40 provisions of the Dodd-Frank Act. House Republicans said that they wanted more of the provisions included in HR 10 to be included in the Senate's bill. According to *The Hill*, Republicans said that they wanted to include provisions that "are intended help small businesses raise capital by loosening securities laws and other financial rules" and "ease registration requirements for mergers and acquisitions brokers and independent investors," among other things.[11]

On May 8, 2018, Speaker of the House Paul Ryan (R-Wis.) said that the House and Senate had reached a deal on modifying the Dodd-Frank Act.[12]

Senators on the Economic Growth, Regulatory Relief, and Consumer Protection Act

Senators who supported the bill said that it would help small banks by exempting them from the 2010 financial rules and allow for more lending. Senators who opposed the bill said that it would bring back risk into the financial system and harm consumers.[13]

Support

- Sen. Heidi Heitkamp (D-N.D.): "Passage of this bill is a big win for Main Street in rural America and our families, farmers, and small businesses."[9]
- Sen. Jerry Moran (R-Kan.): "This is not about taking care of bankers. This is not about taking care of credit unions. It is about taking care of the people they serve – their borrowers."[9]
- Sen. Mike Crapo (R-Idaho): “This bill has received widespread support for good reason: the cycle of lending and job creation has been stifled by onerous regulation."[13]

Opposition

- Sen. Sherrod Brown (D-Ohio): "We missed an opportunity to pass meaningful bipartisan legislation that would help community banks and provide real protections for consumers."[9]
- Rep. Maxine Waters (D-Calif.): "It takes our financial system in the wrong direction, and serves as a giveaway to banks that are already posting record profits."[9]
- Sen. Elizabeth Warren (D-Mass.): "Senate Republicans voted unanimously for the #BankLobbyistAct. But this bill wouldn’t be on the path to becoming law without the support of these Democrats. The Senate just voted to increase the chances your money will be used to bail out big banks again.”[14]

January 23, 2018: Senate confirms Jerome Powell as Federal Reserve chairman

On January 23, 2018, the Senate confirmed Jerome Powell as the chairman of the Federal Reserve by a vote of 84-13. It was one of the widest margins of confirmation for a nominee of President Donald Trump’s. He replaced Federal Reserve Chairwoman Janet Yellen on February 3, 2018.[15]

October 24, 2017: Senate votes to end CFPB's consumer arbitration rule

The First 100 Days

In the first 100 days of the Trump administration, finance policy was changed through the following executive and legislative actions:

On October 24, 2017, by a vote of 50-50, the Senate passed a joint resolution to nullify a rule submitted by the Consumer Financial Protection Bureau (CFPB) regarding arbitration agreements. Vice President Mike Pence, who cast the fifth tie-breaking vote of his vice-presidency, broke the tie. The CFPB's rule would have prevented companies from including arbitration clauses in customer contracts that block customers from filing class-action lawsuits in the case of a dispute. It was set to go into effect in 2018.[16][17]

Republicans used the Congressional Review Act, which gives lawmakers 60 legislative days to repeal an executive branch rule after it has been finalized with a simple majority, to repeal the rule. Republican Sens. Lindsey Graham (S.C.) and John Kennedy (La.) voted with Democrats in opposition to the measure. On July 25, 2017, the House voted 231-190 to overturn the rule.[18]

Consumer Financial Protection Bureau Director Richard Cordray criticized the vote, saying, "Tonight's vote is a giant setback for every consumer in this country. Wall Street won and ordinary people lost. This vote means the courtroom doors will remain closed for groups of people seeking justice and relief when they are wronged by a company."[18]

- Rep. Jeb Hensarling (R-Texas), chair of the House Finance Committee, proposed legislation, entitled the Financial CHOICE Act. This act proposed replacing the Dodd-Frank Act. The bill passed the committee on May 4, 2017.
- President Donald Trump solicited feedback from the heads of regulatory agencies regarding changes to make to the Dodd-Frank Act.

Before the vote, Sen. Mike Crapo (R-Idaho), the chairman of the Senate Banking Committee, said, "This is a rule to benefit the plaintiffs bar."[18]

The Trump administration released the following statement praising the passage of the resolution:

> "President Donald J. Trump applauds the Congress for passing H.J. Res. 111, Disapproving of the Consumer Financial Protection Bureau's (CFPB) Arbitration Agreements Rule. According to a recent report by the Department of the Treasury, the evidence is clear that the CFPB's rule would neither protect consumers nor serve the public interest. Rather, under the rule, consumers would have fewer options for quickly and efficiently resolving financial disputes. Further, the rule would harm our community banks and credit unions by opening the door to frivolous lawsuits by special interest trial lawyers. By repealing this rule, Congress is standing up for everyday consumers and community banks and credit unions, instead of the trial lawyers, who would have benefited the most from the CFPB's uninformed and ineffective policy.[20]"

President Donald Trump signed it into law on November 1, 2017.[21]

On November 15, 2017, Cordray announced plans to step down as head of the CFPB by the end of November.[22]

June 8, 2017: House passes Financial CHOICE Act

On June 8, 2017, the House of Representatives passed HR 10—the Financial CHOICE Act of 2017. The bill proposed repealing about 40 provisions of the Dodd-Frank Act. The bill proposed allowing banks to not be subject to the heightened regulatory requirements of Dodd-Frank by maintaining a 10-1 ratio of capital over borrowed money to withstand a financial downturn. It also proposed granting the president power to fire the head of the Consumer Financial Protection Bureau (CFPB) and the Federal Housing Finance Agency at any time and without cause. It proposed granting Congress authority over the CFPB's budget. The bill also proposed repealing the Volcker Rule, a rule which prevents commercial banks from making speculative investments for their own profits.[23][24]

April 26, 2017: House holds hearing on the CHOICE Act

On April 26, 2017, the House Financial Services Committee debated a draft of the Financial CHOICE Act. The CHOICE Act, a bill sponsored by Rep. Jeb Hensarling (R-Texas), proposed repealing many of the provisions of the Dodd-Frank Act, limiting the power of the Financial Stability Oversight Council, and ending the Volcker Rule, which prohibited United States banks from making certain kinds of speculative investments that do not benefit their customers. The committee was divided along party lines. Democratic members of the committee petitioned to hold their own hearing on the bill before allowing it to come to a vote. The bill passed the committee on May 4, 2017, by a vote of 34-26.[25]

April 21, 2017: Trump issues memos on Dodd-Frank

On April 21, 2017, President Donald Trump issued two memos addressed to the U.S. secretary of the Treasury. The first memorandum was in regards to the Orderly Liquidation Authority (OLA), which was established under Title II of the Dodd-Frank Act. Title II granted the secretary of the Treasury the authority to identify financial institutions that were close to failing, place them in receivership, and initiate their expedited liquidation. Title II also established the Orderly Liquidation Fund (OLF) for carrying out liquidations.[26]

The memorandum directed the secretary of the Treasury to review the OLA for any adverse effects liquidation under the authority may have on the financial stability of the country. It also directed the secretary of the Treasury to consider whether it would be possible for the authority to result in costs to the Treasury's general fund and whether the existence of OLA leads to risky behavior by financial institutions. The secretary was also directed to consider whether new provisions under bankruptcy law would better serve failing companies.[27]

The second memorandum was in regards to the Financial Stability Oversight Council (FSOC), which was established by Title I of the Dodd-Frank Act as a committee led by the secretary of the Treasury. Title I gave the FSOC the authority to determine if a nonbank financial institution is vulnerable to financial distress and may upset the financial stability of the company. The FSOC may then place that institution under the oversight of the Federal Reserve.[28]

The memorandum directed the secretary of the Treasury to review the FSOC process described above for transparency and adherence to due process. It also directed the secretary of the Treasury to consider whether companies expect they will be protected from bankruptcy under the process, whether determinations of financial distress should include specific projections of potential damage to the economy, whether the process considers the costs of such determinations, and whether companies should first be notified of how they may reduce their risk of financial distress.[29]

February 3, 2017: Trump issues executive order on financial regulation

On February 3, 2017, Trump issued an executive order titled, "Core Principles for Regulating the United States Financial System ." It outlined six objectives for financial regulation. The objectives were:[30]

- "Empower Americans to make independent financial decisions and informed choices in the marketplace, save for retirement, and build individual wealth";
- "Foster economic growth and vibrant financial markets through more rigorous regulatory impact analysis that addresses systemic risk and market failures, such as moral hazard and information asymmetry"; and
- "Restore public accountability within Federal financial regulatory agencies and rationalize the Federal financial regulatory framework."

The order called for a report from the Financial Stability Oversight Council on whether existing regulations followed these core principles within 120 days.[30]

Did President Trump make it harder to save for retirement and for first-time homebuyers to buy a home?

March 8, 2017

January 30, 2017: Trump issues executive order on reducing regulation

On January 30, 2017, Trump issued his "Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs ." The order was designed to reduce the number and cost of agency regulations through an additional review policy for new regulations. The order stated, "[F]or every one new regulation issued, at least two prior regulations be identified for elimination, and that the cost of planned regulations be prudently managed and controlled through a budgeting process."[31]

The Office of Information and Regulatory Affairs issued guidance on the executive order on February 2, 2017, which clarified that it did not apply to independent executive agencies.[32]

Trump administration: Early financial regulation priorities

On *Meet the Press* on February 26, newly elected Democratic National Committee Chair Tom Perez claimed that President Trump "made it harder for first-time homebuyers to buy a home" and that days later, Trump "tried to make it harder for people to save for retirement."
Did Trump make it harder to save for retirement and for first-time homebuyers to buy a home?

Read Ballotpedia's fact check »

On the campaign trail, Trump cited Dodd-Frank as a law he wanted to change or repeal. He said in an interview in October 2015, "We have to get rid of Dodd-Frank. The banks aren't loaning to people that need it. The regulators are running the banks." Trump maintained this position in a May 2016 interview, saying, "Dodd-Frank has made it impossible for bankers to function. It makes it very hard for bankers to loan money for people to create jobs, for people with businesses to create jobs. And that has to stop." On February 3, 2017, Trump signed an executive order soliciting recommendations from heads of regulatory agencies on parts of the Dodd-Frank Act to change.[33][34][35]

Dodd-Frank was again highlighted as a priority for the Trump administration on its official transition website. "The Financial Services Policy Implementation team will be working to dismantle the Dodd-Frank Act and replace it with new policies to encourage economic growth and job creation," the transition team noted.[36]

Treasury Secretary Steven Mnuchin said in an interview that reconsidering Dodd-Frank would be his second priority at the start of Trump's administration. "There [are] many aspects of it that prevents banks from lending and we need to make sure that banks lend. We want to see huge growth in this economy in small- and medium-sized businesses," Mnuchin said.[37]

Republicans in Congress also expressed a desire to modify elements of Dodd-Frank. In June 2016, House Speaker Paul Ryan (R-Wis.) released a Republican agenda for regulatory reform, including the following changes to financial regulation:[38][39]

- Convert the Consumer Financial Protection Bureau (CFPB) into a five-member bipartisan commission.
- Increase transparency by making the CFPB subject to congressional appropriations.
- Create an inspector general for the CFPB.
- Permit regulators to adjust regulations based on the size or business model of banks and credit unions.
- Replace bailout measures for "Systemically Important Financial Institutions" with enhanced bankruptcy.

Financial policy in the U.S.

What is the Dodd-Frank Act?

See also: Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act, often called the Dodd-Frank Act, is financial regulation legislation was signed into law by President Barack Obama (D) on July 21, 2010. The law states that it is intended "to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end 'too big to fail', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes." The Dodd-Frank Act was enacted in response to the global financial crisis of 2008. The act provides increased oversight of the nation's financial systems to prevent economic instability.[40]

What did the Dodd-Frank Act change?

The Dodd-Frank Act contains provisions regarding the creation and merger of various federal agencies and changes to the regulatory structure. New regulations included different standards for the liquidation process for financial institutions, such as greater government oversight, requiring certain risky derivative sales to be registered with government agencies, increasing the transparency of credit rating organizations by requiring them to publish annual internal reports, and preventing banks from making certain investments that were beneficial to the banks but not their customers.[40]

What is the Volcker Rule?

The Volcker Rule is a part of the Dodd-Frank Act originally proposed by former United States Federal Reserve Chairman Paul Volcker. The rule restricts banks from making certain kinds of investments that do not benefit their customers. Volcker and others argued that these investments were a major contributing factor to the financial crisis of 2007-2008. The rule specifically prohibits banks or institutions that own banks from trading stocks, bonds, and other financial instruments with the bank's own money rather than that of depositors, or from owning or investing in hedge funds. Under these kinds of transactions, the trader was paid on the basis of the value of the transactions rather than the profit made for their client.[41]

What agencies did the Dodd-Frank Act create?

The act created the following federal agencies:[40]

- The Financial Stability Oversight Council (FSOC), which monitors and responds to risks to the nation's financial systems by recommending regulation to regulatory bodies.
- The Office of Financial Research (OFR), which provides data and analysis for the FSOC.
- The Federal Insurance Office (FIO), which advises other agencies on matters relating to the insurance industries.
- The Consumer Financial Protection Bureau (CFPB), which writes and enforces regulations for banks and is responsible for consumer protection.

What is the CFPB?

The Consumer Financial Protection Bureau (CFPB) is an independent government agency created in 2010 as part of the Dodd-Frank Act. The CFPB reports and is subordinate to the president of the United States. The CFPB is headed by a director, who is appointed by the president and confirmed by the Senate.

The CFPB serves as the regulatory body responsible for consumer protection in the financial sector. The CFPB may take action against institutions that employ predatory practices, discriminate, or commit fraud, among other practices. The CFPB can write and enforce regulations for financial institutions with assets exceeding $10 billion, as well as their affiliates. Smaller institutions are regulated by state-level agencies. Lists of institutions regulated by the CFPB by year are available here.[42]

The agency is funded by the Federal Reserve. This funding is determined by a fixed formula dependent on the Federal Reserve's operating expenses.[43][44]

Consumer Financial Protection Bureau rules on class action lawsuits, arbitration agreements

September 11, 2017: In 2017, House Republicans voted to revoke a regulation by the Consumer Financial Protection Bureau that prohibited banks from requiring customers to engage in arbitration. Rep. Keith Rothfus (R-Pa.) claimed, "According to the CFPB's own study, the average recovery for members of a class action lawsuit is a paltry $32, contrasted with the average $5,389 recovery for consumers who use arbitration."
Was Rothfus correct?

Read Ballotpedia's fact check »

How can Dodd-Frank be changed?

Dodd-Frank could be amended or repealed entirely. Individual provisions of the act could be weakened by changing or abolishing the agencies that the act created to administer financial regulations. The Consumer Finance Protection Bureau, for example, could be restructured to operate as a commission rather than function under a director. Another possible target for change is the Volcker Rule, which prohibits banks from making speculative investments that do not benefit their customers.

What is the opposition to Dodd-Frank?

Critics of the Dodd-Frank Act have said that the act has stifled economic growth; that the regulations contained in the act are too onerous and prevent banks from doing business; that new compliance rules involve too much paperwork and documentation; and that certain types of loan products the act banned should be allowed.

President Donald Trump was critical of the act's additional regulations during his presidential campaign. In an interview in October 2015, Trump said, "Dodd-Frank has made it impossible for bankers to function. It makes it very hard for bankers to loan money for people to create jobs, for people with businesses to create jobs. And that has to stop." Trump pledged to repeal or reform Dodd-Frank.[45][35]

Jaret Seiberg, a managing director at the financing firm Guggenheim Securities, criticized the paperwork and documentation requirements. Sieberg said, "If you're a high-quality credit consumer, Dodd-Frank just made it a much bigger pain in the butt to get a loan. You've got to fill out more paperwork, you've got to dig up more tax returns. You've got to find information related to retirement accounts, stuff that was never asked for before. But if you're on the low end of the spectrum, it has made it tougher to get that mortgage." According to Janet Yellen, chair of the Federal Reserve, loan availability has been restricted. Yellen said, "Demand for housing is still being restrained by limited availability of mortgage loans to many potential homebuyers."[46]

Lending restrictions and documentation regulations under the Dodd-Frank Act include:

- Banning negative amortization mortgages;
- Requiring borrowers to document employment and debt when applying for loans;
- Requiring lenders to disclose all costs involved in loans; and

- Requiring lenders to, using the information provided by the borrower, verify their ability to repay mortgages.

Some groups, such as the Heritage Foundation, have also criticized the agencies created by the act and the authority granted to those agencies. Heritage has criticized the CFPB as "one of the most powerful—and unaccountable—federal agencies ever created," and the Dodd-Frank Act for consolidating power into a few agencies.

Power granted to agencies in the Dodd-Frank Act include:

- Granting authority over 18 consumer protection laws previously administered by seven agencies to the CFPB;
- Granting the FSOC authority to designate financial institutions and activities as subject to special regulations; and
- Extending the Federal Reserve's authority to supervise savings and loan holding companies.

What is the support for Dodd-Frank?

Defenders of the Dodd-Frank Act have argued that it is a necessity to protect the economy, that it has not stifled growth, and that the provisions have reduced financial instability. According to *Fortune*, the act addressed potential instability created by the combined effect of banks' increased emphasis on lending and capital to handle losses from that lending.[47]

Provisions of Dodd-Frank that attempt to address instability issues include:

- Banning certain high-risk speculative investments;
- Increased supervision of banks by government agencies such as the Federal Reserve;
- Extending liquidation laws to include insurance companies and non-bank financial companies; and
- Providing incentives for low- and medium-income people to establish accounts at federally insured banks.

Defenders of the act have also praised the transparency provisions in the bill, saying these provisions help protect consumers. Sen. Elizabeth Warren (D-Mass.), a supporter of the act, praised the consumer protection and transparency aspects of the bill, saying, "These new rules are making our financial system more transparent, getting rid of a lot of fine print, and making sure that if a bank screws up, you have someone to call so you don’t get stuck with the bill.”[48]

Transparency provisions under the Dodd-Frank Act include:

- Requiring lenders to disclose all costs involved in loans;
- Establishing the Office of Credit Ratings to oversee credit rating agencies and preventing these agencies from accepting certain potential conflicts of interest; and
- Requiring more securities, such as credit default swaps, to be registered with the CFTC or SEC.

What was the Glass-Steagall Act?

The Glass-Steagall Act, also known as the Banking Act of 1933, was enacted to limit the interaction between investment and commercial banks. Interactions between these two types of entities were believed to have contributed to the Great Depression.[49]

Commonly, Glass-Steagall refers to four specific provisions of the law. These four provisions separated commercial and investment banking by preventing member banks of the Federal Reserve from dealing in non-governmental securities for customers, investing in non-investment-grade securities for themselves, underwriting and distributing non-governmental securities, or affiliating with any company involved in these activities. This separation also prevented investment banks from accepting deposits from customers.[49][50]

In the 1960s, bank regulators and the Office of the Comptroller of the Currency issued interpretations of the act that allowed banks and affiliates to engage in increasing amounts of securities activities. Beginning in the 1980s, the United States Congress debated repealing the act. The act was ultimately repeated in 1999 via the Gramm–Leach–Bliley Act.[49][50]

According to economist Joseph Stiglitz, this repeal contributed to the financial crisis of 2008. Stiglitz said, "As we stripped back the old regulations, we did nothing to address the new challenges posed by 21st-century markets." Others argued that the repeal of Glass-Steagall had nothing to do with the crisis, or that the effects were minor. In a 2015 interview, former President Bill Clinton (D), who signed the Gramm–Leach–Bliley Act into law, said, "There's not a single, solitary example that [the repeal of Glass-Steagall] had anything to do with the financial crash."[51][52]

See also

- 115th Congress on financial policy, 2017-2018
- Federal policy on trade, 2017-2020
- Trump administration officials on financial policy

External links

- Search Google News for this topic

Footnotes

1. *The Wall Street Journal*, "How Congress Rolled Back Banking Rules in a Rare Bipartisan Deal," May 23, 2018
2. *Congress.gov*, "S.2155 - Economic Growth, Regulatory Relief, and Consumer Protection Act," accessed March 15, 2018
3. *The Hill*, "Trump signs Dodd-Frank rollback," May 24, 2018

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