

More Details on the new Wall Street Reform Law

Written by Mike Honda

On July 21st, 2010, President Obama signed into law the Wall Street Reform and Consumer Protection Act. I was proud to support this bill that protects the American people and small businesses from the greed and recklessness of Wall Street.

As we rebuild our economy, it is important that we put in place common-sense rules to ensure big banks and Wall Street do not jeopardize this recovery and hurt hard-working families or small businesses again through inappropriately risky behavior. This law will finally restore some common sense to Wall Street.

For eight years, President Bush and his Republican allies looked the other way as Wall Street and big banks exploited loopholes, risked your money on complex schemes, and rewarded failures and recklessness. As a result, America's families and small businesses paid the price with the loss of 8 million jobs and \$17 trillion in retirement savings and Americans' net worth. Failure to properly oversee and regulate financial markets allowed Wall Street and the big banks to gamble with the American public's money and compromise our future, our savings, and the American Dream.

During the 111th Congress, I have worked with my colleagues and President Obama to make the tough choices and take the effective steps to bring our economy back from the brink of collapse. Now, while Wall Street is bouncing back, is the time to make sure that they aren't left to police themselves again. Under this reform package, we will institute stronger consumer protections, improve market transparency, and reward responsible investing in order to foster competitiveness, confidence in our financial sector, and robust growth in our economy. Over time, we will see new jobs and increased investment and entrepreneurship in our district.

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This financial regulatory reform package implements common sense reforms that hold Wall Street and the big banks accountable, including:

- Ending the “too big to fail” concept by strengthening government oversight over big banks and large financial firms – putting an end to taxpayer bailouts;
- Creating a Consumer Financial Protection Agency that will act as an independent watchdog on behalf of U.S. consumers;
- Empowering the Securities and Exchange Commission with new enforcement powers to protect U.S. investors;
- Regulating over-the-counter derivatives;
- Auditing the Federal Reserve's emergency lending programs from the financial crisis and limit the Fed's emergency lending authority;
- Installing new protections for grocers, retailers and other small businesses facing out-of-control interchange fees that banks and other debit card issuers charge these businesses for using their system, resulting in billions of dollars in savings for merchants;
- Enhancing oversight of the credit rating agencies; and
- Limiting inappropriate pay practices of bank executives that contribute to financial instability.

This legislation will safeguard our economy, help us create new jobs and put consumers first. I am proud to be a staunch supporter for this necessary financial reform and look forward towards implementing new measures that will safeguard American jobs, small businesses and savings in our district.