



EVERYTHING MATTERS

Dodd-Frank Alert: Regulators Take Center Stage



FINANCIAL SERVICES REGULATORY REFORM SIGNED INTO LAW – NEXT, REGULATORS TAKE CENTER STAGE

On July 21, 2010, in a signing ceremony at the Ronald Reagan building in Washington, DC, President Barack Obama signed into law sweeping financial services legislation – the broadest overhaul of US financial rules since the Great Depression. The reform effort has traveled a tortured legislative path shaped in major part by reaction to one the country’s greatest-ever financial crises.

As noted by *The Wall Street Journal*, the signing of the bill into law “is when the real battle will begin to shape the new rules of Wall Street. The unifying theme of the [legislation] is to hand even more discretion and authority to ...regulators....”

The massive bill provides broad authority for regulators to define details critical to the implementation of the legislation. The rules and definitions ultimately promulgated by regulators could have a significant impact on the operations – and profitability – of businesses affected by the legislation, including many well outside the financial services community. The rulemaking process allows for advance input by affected businesses, and will provide companies with a critical opportunity to help shape the vital details of those rules before they become effective.

To see the entire legislative text, please click [here](#).

The legislation – entitled the Dodd-Frank Wall Street Reform and Consumer Protection Act after Senate Banking Committee Chairman Chris Dodd (D-CT) and House Financial Services Committee Chairman Barney Frank (D-MA) – provides for a new Financial Stability Oversight Council, governmental resolution authority for failing institutions, agency reorganization, a new Consumer Financial Protection Bureau and a federal Insurance Office, and it imposes tougher capital, leverage and liquidity requirements. It also creates new requirements for derivatives, hedge funds, private-equity funds, credit rating agencies, debit card interchange fees and corporate governance, among others. Of particular note are areas *not* addressed by the legislation, including the imposition of absolute size limits on any financial institution, further regulation of Freddie Mac and Fannie Mae (although a study is required), reinstatement of Glass-Steagall’s strict separation of commercial and investment banking or provisions on bank overdrafts or mortgage cramdowns.

We have compiled an overview of the key provisions of this expansive legislation and, importantly, a list of the required rulemakings and the timeframes during which the public (including the business community) can submit its views. Now that the bill has been signed into law, we have updated the rulemaking chart to reflect the actual dates of the rulemakings (which are generally tied to the date of the bill’s enactment). Notwithstanding the extraordinary scope of this legislation, we have attempted to keep these descriptions relatively brief so that you may more quickly determine which topics will be most important to your company. If you have any questions whatsoever, please contact any of us.



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