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Wall Street Reform Amendment Guide A Senators' Guide to Public Interest Votes That Protect Consumers

Below are listed some of the key amendments we expect to see as the Restoring America's Financial Stability Act of 2010, S. 3217, comes to the Senate floor. Senators should support the strengthening amendments and oppose other weakening amendments. For questions, contact U.S. PIRG at 202-546-9707.

To guide Senators and allow voters and the media to understand what is at stake, the U.S. Public Interest Research Group considered the major amendments likely to be offered and then determined the "public interest vote," in other words, which way a Senator should vote if he or she wants to protect consumers and vote in the public interest, rather than in favor of special interests.

Note that there may be many other amendments as well, but votes on these amendments are crucial. Some of these amendments may also be offered in ways other than a standard "YES" or "NO" vote. For example, in some cases, an amendment may be considered as a "motion to table." In this case, if the public interest vote is "YES," then the correct vote on a motion to table the amendment would be "NO."

Anticipated Amendment(s)	Public Interest Vote	Explanation
GUARANTEE A STRONG, INDEPENDENT CONSUMER FINANCIAL PROTECTION AGENCY		
Make the CFPB fully independent of the Federal Reserve.	YES	Vote yes to establish a fully independent Consumer Financial Protection Agency (CFPA) rather than a Bureau inside the Federal Reserve. The CFPA must be independent of the regulators who failed to ensure that markets for consumer financial products work well for American families, not just for the banks. Support other amendments to strengthen the CFPA's authority over small banks and non-banks.
Allow more preemption and place further limits on state Attorneys General.	NO	Vote no because the "local cops on the beat" need the leeway to protect consumers. Oppose all amendments to weaken modest provisions in the bill that allow state Attorneys General to enforce the federal law and that allow states to enact stronger laws.
Allow stronger state laws to limit interest rates and fees of out-of-state credit card companies.	YES	Vote yes to give states the power to protect their residents. Previous preemption decisions have restricted states from protecting their citizens from high fees and high APRs imposed by credit card companies housed in a few bank-friendly states.
Exemption from CFPB for car dealers.	NO	Oppose any amendments to exempt car dealers from CFPB. Dealers make predatory loans, and take kickbacks for placing consumers in over-priced loans.
Exemption from CFPB for payday lenders.	NO	Vote no . Payday lenders charge triple-digit interest and often collect finance charges totaling more than the consumer's loan.
Veto of CFPB rules.	YES to eliminate veto over CFPB	Support an amendment to strike the Financial Stability Oversight Council veto of CFPB rules.
Veto of CFPB rules.	NO to amendments to make it easier to veto rules	Oppose amendments to lower the standard (currently, rule must threaten financial system) or lower the threshold (currently 2/3rds vote of members) required to overturn CFPB rules.

Anticipated Amendment(s)	Public Interest Vote	Explanation
REIN IN THE SHADOW MARKETS		
Allow for certain trading loopholes and exceptions for derivatives.	NO	Oppose all amendments to widen exceptions, especially to allow financial firms to place bets over the counter instead of on regulated exchanges. All derivatives should be cleared and traded on transparent exchanges.
Close hedge fund and private equity loopholes.	YES	Hedge and private equity funds and their managers should all be regulated by the SEC. Support strengthening amendments.
Protect municipalities and their taxpayers.	YES	Vote yes to help mayors and city councils protect local taxpayers from Wall Street predators by banning abusive municipal swaps (a form of shadow market derivative bet).
PREVENT BANKS FROM GETTING TOO BIG TO FAIL		
Support amendments to strengthen risk management and bar hedge funds inside a bank from placing private bets.	YES	Vote yes on the Merkley-Levin amendment to strengthen the "Volcker rule" in the bill to ban proprietary trading by financial institutions that make bets subsidized by taxpayer bailouts.
Ban "too-big-to-fail" banks and taxpayer bailouts.	YES	Vote yes to strictly regulate the size of insured banks so that they can't become too big to fail. The amendment based on the SAFE Banking Act introduced by Sens. Sherrod Brown (OH), Ted Kaufman (DE) and others caps total deposits at 10% of all deposits nationwide and imposes other size limits on big banks.
OTHER AMENDMENTS TO PROTECT CONSUMERS AND TAXPAYERS AND SMALL INVESTORS		
Make stockbrokers and insurance agents responsible to their investor-customers.	YES	Vote yes to require that everyone who provides investment advice acts in the best interests of the investors they are supposed to be helping. Require brokers and agents to comply with a fiduciary standard.
No free ride for lawyers, accountants or bankers who aid frauds by the next Bernie Madoff.	NO	Vote yes to restore the right of aggrieved investors to bring private claims against professionals who aid and abet securities fraud.
Preserve corporate governance reforms.	YES	Oppose efforts to strip laudatory bill provisions that provide investors with greater rights to choose or remove directors or advise ("say on pay") on executive compensation.
WATCHING THE WATCHDOGS		
Protect investors from rigged credit ratings.	YES	Support any amendments to strengthen oversight of Standard & Poors, Fitch's, Moody's and other Credit Ratings Agencies (CRAs). Direct the SEC to adopt rules to require credit rating agencies to monitor and update their ratings to ensure that they remain accurate and reliable and to improve their procedures and methodology. Support amendments to ensure that ratings agencies are not hand-picked by the firms that pay them.
Audit the Fed.	YES	Support an amendment (Sanders) to make the Federal Reserve more transparent. The anticipated amendment is similar to S.604, the Federal Reserve Sunshine Act, which was offered to last year's Budget Resolution and passed the Senate on a bipartisan vote of 59-39 on April 1, 2009.