



## Consumer Federation of America

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### **Consumer Federation of America Applauds House Passage of the Dodd-Frank Financial Reform Bill**

Washington, DC – Today, the Consumer Federation of America applauded the passage by the U.S. House of Representatives of landmark pro-consumer and pro-investor provisions in the Dodd-Frank financial regulatory reform bill.

“The American people won big today, despite the throng of Wall Street and bank industry lobbyists who descended on Capitol Hill to block financial reform,” said Travis Plunkett, CFA’s Legislative Director. “This historic legislation provides a sweeping overhaul of federal financial regulations that should help protect consumers and the economy for decades to come.”

The bill creates the Consumer Financial Protection Bureau to provide transparency and fairness for consumers when they take out a loan, use a credit card, or get a mortgage. “Consumers finally will have an independent watchdog to monitor the market and write and enforce the rules,” said Susan Weinstock, CFA’s Financial Reform Campaign Director. “The Bureau will focus on protecting consumers by ridding the market of the tricks and traps that have ensnared so many Americans.”

The bill also includes important investor protections. “The interests of Main Street investors prevailed with the inclusion of the provision authorizing the SEC to require that brokers who offer investment advice have a fiduciary duty to act in the best interest of their clients,” said Barbara Roper, CFA’s Director of Investor Protection. Other important provisions included in the bill provide for the creation of a powerful new advocate for investors within the SEC, elimination or limits on the use of pre-dispute binding arbitration clauses in brokerage and investment adviser contracts, improved disclosures, reform of broker-dealer compensation practices, and strengthens SEC’s enforcement tools.

The bill also includes a strong package of reforms to strengthen regulatory oversight of credit ratings agencies, increase rating agency accountability, and improve rating transparency. The bill takes enormous strides to rein in reckless derivatives trading as well, and includes strong provisions on the key issues of moving the majority of clearable swaps into central clearing, requiring exchange trading, increasing capital and margin requirements, and other measures to improve the stability, transparency, and regulatory oversight of the derivatives market.

“The American people have waited long enough for these reforms,” continued Plunkett. “We call on all Senators to support and pass the Dodd-Frank bill.”

*The Consumer Federation of America is a non-profit association of more than 280 groups that, since 1968, has sought to advance the consumer interest through advocacy and education.*