



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

June 28, 2010

Congress: Pass the Dodd-Frank Conference Report Immediately!

Dear Senator:

CFA urges your strong and immediate support for the Dodd-Frank bill, which marks the biggest transformation of financial regulation in this country since the Great Depression. The conference report includes important provisions that will improve the marketplace for consumers and investors, thereby improving the stability of our economy.

A crucial component of the legislation is the creation of a new Consumer Financial Protection Bureau (CFPB) that will have as its sole mission the best interests of consumers. Key elements of an effective regulator included in the conference report include:

- Autonomous bureau housed in the Federal Reserve;
- Independent funding, including increases so that inflation will not erode the bureau's budget over time;
- Single director, allowing the bureau to act quickly if problems arise;
- Enforcement authority over payday lenders of all sizes;
- State authority to go beyond CFPB rules so that a local problem can be stopped before it turns into a national disaster.

The Conference Committee also delivered on the top priority issue for Main Street investors – imposing a fiduciary duty on brokers when they give investment advice. CFA supports the compromise in the conference report which combines a six-month study with authority for the SEC to adopt rules holding brokers to the same obligation to act in the best interests of their customers that all other investment advisers must meet.

CFA further supports the additional measures in the Investor Protection title to create a powerful new advocate for investors within the SEC, to eliminate or limit the use of pre-dispute binding arbitration clauses in brokerage and investment adviser contracts, to improve disclosures, to reform broker-dealer compensation practices, and to strengthen the SEC's enforcement tools.

We also are supportive of the strong package of reforms to strengthen regulatory oversight of ratings agencies, increase rating agency accountability, and improve rating transparency in the conference report. Finally, the conference report provisions on derivatives take enormous strides 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 this market.

These reforms can't wait. We strongly urge you to pass the Dodd-Frank bill before the July
4th recess.

Sincerely,



Travis Plunkett
Legislative Director



Susan Weinstock
Financial Reform Campaign Director