THE UNFINISHED BUSINESS OF FINANCIAL REFORM
PROMOTING COMPETITION, INNOVATION, AND SAFETY
IN FINANCIAL MARKETS

• Hold financial institutions and individuals accountable for cheating customers
  o Close the auto loan loophole and extend CFPB oversight to auto dealers
  o Stop financial fraud recidivism by preventing any institution from entering into a non-prosecution agreement or deferred prosecution agreement if they are already operating under such an agreement
  o Deter future financial fraud by imposing a mandatory minimum monetary penalty at least equal to the profits generated by the illegal conduct and strengthening judicial review of deferred prosecution and non-prosecution agreements
  o Strengthen enforcement by requiring the Fed’s Board of Governors to vote on all major supervisory and regulatory matters, and giving each Governor his or her own staff

• Stop financial institutions from passing risk on to taxpayers
  o Cap the size of financial institutions as originally proposed by Senators Brown and Kaufman
  o Reinstate the barrier between commercial banking and investment banking as proposed in the 21th Century Glass-Steagall Act
  o Improve market discipline by restricting the Fed’s emergency lending authority

• Change tax policies that encourage excessive risk-taking and financial instability
  o Close the bonus loophole that allows financial institutions to write off billions in executive bonuses each year
  o Limit highly leveraged financial institutions from fully deducting their interest payments
  o Institute a targeted financial transactions tax

• Create simple, structural rules for regulating the shadow banking sector