

Washington, DC – Today, the House passed HR 4173, the Wall Street Reform and Consumer Protection Act, legislation to protect American consumers and prevent the irresponsible behaviors and practices that contributed to the financial crisis last fall. This legislation restores responsibility and accountability to Wall Street through tough rules and regulation of risky practices; it protects consumers on Main Street by ensuring that bank loans, mortgages, and credit cards are fair and transparent; and it ensures that taxpayers will never have to bail out Wall Street banks by putting an end to “too big to fail” financial firms.

“The excessively reckless and irresponsible behaviors of Wall Street need to come to an end once and for all,” said Congressman Walz. “This bill will prevent taxpayers from having to dish out another \$700 billion bailout, but more importantly, it will put in place common sense reforms to help protect individuals and families like Mary Lewison of Austin as they engage in the most common financial transactions – mortgages, retirement investments and credit card transactions.”

Walz continued, “Mary lost her job as a homecare provider and was forced to pick up a part-time retail job after an exhaustive job search produced limited opportunities. As a result of her reduction in income, Mary fell behind on her mortgage payments. She attempted to work with her mortgage servicer on a loan modification, but they refused.”

“Her mortgage provider got bailout funds, but despite the help it received from taxpayers, refused to help Mary until I intervened. Without the reduction in her interest rate and monthly payment to Mary would have lost her home to foreclosure,” continued Walz. “That kind of double standard in the financial industry is what needs to end. The bill we’re passing today will make the rules and standards of the financial industry fairer for regular folks.”

“The economic crisis this country faced was not caused by local credit unions or community banks on Main Street America, but rather by some large mega-banks and related entities on Wall Street that engaged in excessively risky behavior,” said Nick Meyer, President and CEO of Minnesota Valley Federal Credit Union and Board member of the Minnesota Credit Union Network. “The bill that’s being considered is common-sense legislation that will help provide stability to our financial system and protect consumers. We appreciate Congressman Walz’s work to ensure that our local credit unions and community banks don’t bear the burden of additional regulation and stifle our ability to serve consumers and businesses here in southern Minnesota.”

The manager's amendment to HR 4173 includes language submitted by Congressman Walz that will require the new Consumer Financial Protection Agency to produce an annual report to Congress patterned on that of the IRS' Taxpayer Advocate Service, providing "an analysis of the major problems consumers of financial products and services were confronted with during the preceding year, including a description of the nature of such problems, and recommendations for such administrative and legislative action as may be appropriate to resolve such problems."

"My amendment requires that in the future Congress will hear complaints from financial consumers -- and, what's most important, how to fix those complaints -- before we have another financial crisis threatening our entire economy." concluded Walz.

The top five ways H.R. 4173 benefits consumers are listed below:

- 1) **Ensures that the credit cards and the mortgages are fair, transparent, and understandable** by creating a Consumer Financial Protection Agency. Family finances should not be put at risk due to fine print that hides fees and other things borrowers should be aware of.
- 2) **Helps protect 401(k), college savings and pension accounts** by stopping institutions from taking risks that threaten the financial system and can cause a crash like the one that happened last fall.
- 3) **Helps ensure that taxpayers will never again need to bail out Wall Street banks** by putting an end to "too big to fail" firms and preventing their risky behavior from threatening to bring down the entire economy.
- 4) **Ends predatory lending practices** so that lenders can't put families into an unaffordable or difficult to understand loan.
- 5) **Makes sure that Wall Street banks have to play by the same rules** when they provide the

same thing, like a home mortgage loan. This will ensure that borrowers can have faith that wherever they borrow, they can expect a minimum level of fairness.

Additionally, the legislation includes:

- **Tough new rules on the riskiest financial practices** that gambled with Main Street Americans' money and caused the financial crash, like the credit default swaps that devastated AIG, and common sense regulation of derivatives and other complex financial products offered to consumers.
- More enforcement power and funding for the **Securities and Exchange Commission**, including requiring registration of hedge funds and private equity funds.
- Enhanced oversight and transparency for **credit rating agencies**, whose seal of approval gave way to excessively risky practices that led to a financial collapse.
- Rules to allow a 'say on pay' for shareholders, which also **address egregious executive compensation** by requiring independent directors on compensation committees, and limiting bank executive risky pay practices that jeopardize banks' safety and soundness.

The text of H.R. 4173, the Wall Street Reform and Consumer Protection Act, as well as a section by section summary can be found [here](#) .

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