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## FINANCIAL SERVICES COMMITTEE DEMOCRATS THE “WRONG CHOICE ACT” TO REPEAL DODD-FRANK

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*Chairman Hensarling’s “Wrong Choice Act” would repeal critical parts of the Dodd-Frank Act, making financial markets less safe and putting consumers at risk. It would, among other things:*

- Impose weak capital standards on banks without limits on risky activity, making our financial markets once again subject to the same kind of risky behavior that caused the financial crisis.
- Gut the Consumer Financial Protection Bureau (CFPB) by turning it into a partisan, gridlocked commission; subjecting it to the appropriations process; and preventing it from stopping abusive practices in key areas such as payday lending, indirect automobile financing, and forced arbitration.
- Repeal Orderly Liquidation Authority, the mechanism by which failing financial institutions are safely wound down so they don’t present a risk to the economy. It is replaced with an enhanced bankruptcy that would be insufficient to handle the failure of a large financial institution like Lehman Brothers.
- Repeal the Volcker Rule, which is designed to stop banks from gambling with taxpayer money.
- Repeal the Financial Stability Oversight Council’s (FSOC) ability to designate non-banks as systemically important financial institutions (SIFIs), exposing our financial system to the same shadow banking sector risks that existed pre-2010.
- Abolish the Office of Financial Research, which provides research and information to help inform the FSOC’s deliberations.
- Undo critical investor protections by limiting the SEC’s ability to hold bad actors accountable, hindering its efforts to promulgate a fiduciary rule that is consistent with the Department of Labor’s recently finalized rule, and giving industry a leg up in the rulemaking process and in the courts.
- Place monetary policy at risk by curtailing the Federal Reserve’s discretion in taking into account a wide range of dynamic economic data and subjecting policy decisions to short-term political pressure.
- Subject *all* federal financial regulators to the annual appropriations process, thereby politicizing regulatory oversight and placing funding for financial regulators at risk.
- Turn the Office of the Comptroller of the Currency (OCC) and the Federal Housing Finance Agency (FHFA) into slow-moving commissions, injecting them with unnecessary layers of bureaucracy and political gridlock.