Setting the Record Straight:

How Dodd-Frank Is Pro-Growth, Pro-Market, and Pro-Investor

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Setting the Record Straight on Dodd-Frank

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Dodd-Frank is pro-growth.

- Dodd-Frank adds $351 billion to the U.S. economy through rules that make banks stronger and safer.

Dodd-Frank is pro-market—and anti-bailout.

- Dodd-Frank created new tools to contain risk from spreading throughout the financial system so that taxpayers won’t be on the hook for another $700 billion bailout.

Dodd-Frank is pro-investor.

- Dodd-Frank protects the millions of everyday Americans who have 401(k)s, IRAs, and 529 plans to save for the future. When the markets crashed during the financial crisis, $2.7 trillion in retirement savings alone evaporated.

The Financial CHOICE Act replaces, repeals, and endangers economic protections in Dodd-Frank

REPLACED

Risk-Weighted Capital Requirements

Liquidity Coverage Ratio

REPEALED

The Volcker Rule

Orderly Liquidation Authority

SIFI Designation for Financial Market Utilities

IN DANGER

Americans' savings at risk

Consumer Financial Protection Bureau

Qualified Mortgages

Dodd-Frank Is Pro-Growth

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Dodd-Frank is a balanced law that supports economic growth.
The Financial CHOICE Act takes away Dodd-Frank's most effective safeguards.

REPLACED

Risk-Weighted Capital Requirements: Before the crisis, banks failed to consider how risky their assets were. With Dodd-Frank risk weights, banks must set aside an extra buffer of capital for any asset that isn't cash or Treasury bonds. The Financial CHOICE Act replaces risk-weighted rules with a far weaker alternative, the leverage ratio.

REPLACED

Liquidity Coverage Ratio: During the crisis, many banks failed because they could not liquidate their assets fast enough to raise the money they needed to stay in business. Dodd-Frank's liquidity rules, which only apply to the biggest banks, make sure that won't happen again. The Financial Choice Act lets banks opt out of this rule.

Source: Third Way, "[The Economic Benefit of a Stable Financial System](#)," January 2017.

Dodd-Frank Is Pro-Market and Anti-Bailout

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Dodd-Frank protects our financial system from melting down.
The Financial CHOICE Act repeals these critical reforms.

REPEALED

The Volcker Rule: Banks can no longer mix customer deposits and speculative bets because of the Volcker Rule, a modern way to achieve the same goal as Glass-Steagall. The Financial CHOICE Act gets rid of it.

REPEALED

Orderly Liquidation Authority (OLA): We learned the hard way in the crisis that bankruptcy law doesn’t address the interconnections in the banking system. OLA lets failing institutions fail without bringing down other banks. The Financial CHOICE Act gets rid of it.

REPEALED

SIFI Designation for FMUs: The financial markets cannot function when the plumbing and pipes of the system break down. That’s why Dodd-Frank instituted Systemically Important Financial Institution (SIFI) designation for Financial Market Utilities (FMUs) that handle trillions of dollars every day. The Financial CHOICE Act gets rid of it.

“Repealing Title II to eliminate the OLA would be a major mistake, imprudently putting the economy and financial system at risk.”

– Federal Reserve Chairman, Ben Bernanke

Source: Brookings, “[Why Dodd-Frank’s orderly liquidation authority should be preserved](),” February 28, 2017.

Dodd-Frank Is Pro-Investor

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Dodd-Frank protects everyday Americans who use financial services.
The Financial CHOICE Act puts them at risk of losing everything.

IN DANGER

Americans' savings at risk: Millions of everyday Americans have 401(k)s, IRAs, and 529 plans. Their ability to save for retirement and college tuition depends on the stability of the financial markets.

IN DANGER

Consumer Financial Protection Bureau (CFPB): Dodd-Frank created the only federal agency 100% focused on making things right for everyday Americans, the Consumer Financial Protection Bureau. The Financial CHOICE Act cripples its ability to fulfill its mission.

IN DANGER

Qualified Mortgages (QM): Homebuyers with a Qualified Mortgage can rest assured that they have received an affordable loan without any strings attached. The Financial CHOICE Act creates a loophole in the rule that lets risky portfolio loans get the QM seal.

Dodd-Frank is the right choice because it is:

- ✓ **pro-growth**
- ✓ **pro-investor**
- ✓ **pro-market**
- ✓ **anti-bailout**

The choice is clear—
I'm voting **no** on the **#WrongCHOICEAct.**

For more information, visit our Dodd-Frank Resource Center

www.thirdway.org/dodd-frank

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