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NEDAP HAILS PASSAGE OF FINANCIAL REFORM LAW

Positive Step Forward, More Needed

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The enactment of the Wall Street Reform and Consumer Protection Act today represents a major step forward in the battle to reform a financial services industry that has caused devastating harm to people and communities. Although the Act falls short of fundamentally transforming the financial sector, it represents the most sweeping financial regulatory reform since the Great Depression and begins to reverse decades of damaging financial deregulation.

We are particularly encouraged by the Act's establishment of a Consumer Financial Protection Bureau, which will have authority to curb unfair and deceptive products and practices across a spectrum of financial services – from mortgages and payday loans to credit cards and debt collection.

The new law will help rein in speculation by big banks; create new standards and oversight for the credit rating agencies; and impose strong standards against underwriting mortgages that are not affordable to borrowers. The Act also creates a regulatory framework with potential to force much of the derivatives market out of the shadows.

Significant work remains, however, to ensure that the financial reform legislation signed today is as effective as possible. We are concerned that the legislation leaves too much to the rule-writing discretion of regulators. Industry lobbyists have already switched their focus from blocking the legislation to gutting its effectiveness in the rule-writing process.

NEDAP and allies have for years advocated for meaningful financial reform. We will be working diligently in coming months and years to press for effective implementation of the law enacted today. We will also continue to press for broader structural changes based on fundamental principles of community equity and fairness.