

Required reading: tools to help cope with a new law

Sometimes the government surprises us by cranking out a best seller, despite itself. The report of the 9-11 Commission is one example.

By Bill Streeter, Editor-in-Chief, bstreeter@sbsub.com

Somehow, we doubt the new Dodd-Frank Act will fall into that category. At 2,300 pages it dwarfs all previous banking legislation. But it's not the Act's length that will keep it from being a best-seller, at least from bankers' perspective, it's what's in it.

Take this passage from Title X, which sets up the Bureau of Consumer Financial Protection:

"Covered Persons will be required to make available to a consumer, upon request, information concerning the consumer financial product or service that the consumer obtained from the Covered Person, including information relating to any transaction, series of transactions, or to the account including costs, charges, and usage data, subject to the rules issued by the Bureau. . . ."

That passage is from the ABA's summary and analysis of the bill, and is simplified from the legalese in the law proper. ("Covered Persons," by the way, means your bank, if it's covered by the new Bureau.)

That one sentence will prompt dozens of pages of regulatory requirements, which is why ABA estimates, conservatively, that Dodd-Frank in total will add 5,000 pages of new regulations for banks.

One of ABA's senior government relations staffers told us she was planning to spend the month of August meticulously going through all 2,300 pages of the Act. You probably don't want to do that. But someone in your bank ought to at least read the relevant portions of the ABA summary. You can find it online at www.aba.com/RegReform.

But before doing that, while you've got this publication in hand, have a look at our special coverage of the new law. It offers an overview of the scope and impact of the massive law, without "getting into the weeds" too much.

Here's the lineup:

• Art Johnson's take on the new law in his Chairman's Column ‐ p. 6

• Pass the Aspirin asks several Dodd-Frank-related questions ‐ p. 20

• A two-page “infographic” demonstrates the law’s effects on a typical traditional bank — p. 40

• ABA President Ed Yingling gives his insider’s view of how the law came to be passed in its final form, its potential impact, and the prospects for fixing its flaws — p. 42

• Additional tools and comments (including a discussion of the latest mark-to-market proposal) in ABA Resources — p. 48.

• “Legal Issues” explores the Act’s changes to federal preemption — p. 50.

In addition, the feature on the status of the mortgage market (p. 34) contains a banker’s perspective on the unintended consequences of the mortgage provisions in Dodd-Frank.

Finally, as a complement to the resources on ABA’s RegReform site, we will be posting additional articles on ababj.com to help you deal with the flood of new rules and regulations that the new law unleashes. •

The electronic version of article available at:

<http://www.nxtbook.com/nxtbooks/sb/ababj0810/index.php?startid=8>