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Debunking Myths About Dodd-Frank That Wall Street Wants You to Believe, A Fearless Fighter Protecting the American People.

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As the Trump White House has started its push to roll back the safeguards put in place by the Dodd-Frank financial reform law, it has also pushed bogus, ludicrous, and flat-out false Wall Street-scripted talking points to try to legitimize these very dangerous actions: that the Dodd-Frank law and rules have reduced bank lending and that's been holding back the economy.

There is absolutely no truth to the claim that Dodd-Frank has put a crimp in bank lending. Indeed, facts prove these talking points to be baseless. A recent article from CNBC, "Despite critics' claims, Dodd-Frank hasn't slowed lending," provides a definitive rebuttal to the myth, stating that "...statistics on bank lending don't back up that claim." An article in the *Financial Times*, "Did Dodd-Frank really hurt the US economy?" similarly shows that bank lending is on the rise.

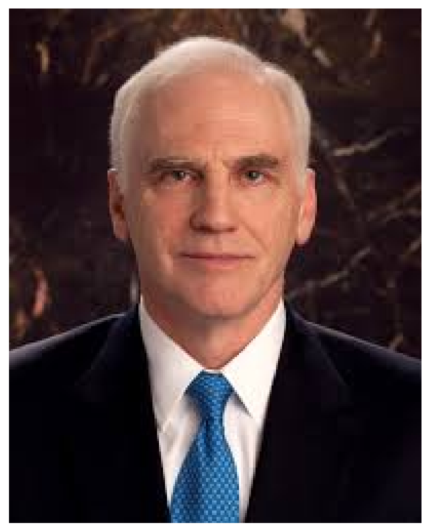
Moreover, in her testimony before the Senate Finance Committee this week, Fed Chair Janet Yellen put a laundry list of data and facts in the record which demonstrated that "Lending has expanded overall by the banking system and also to small businesses." She cited, among other things, a recent survey from the National Federation of Independent Businesses showing that only 4% of small businesses surveyed were unable to get all of the loans they needed, and only 2% ranked the ability to get credit as their main problem.

Finally, in its most recent analysis of bank earnings, FDIC data showed that net income reached an all-time high in the third quarter of 2016. The Chairman of the FDIC, Martin Gruenberg, in presenting the bank data commented that, "Revenue and net income were up from a year ago, loan balances increased, asset quality improved, and the number of unprofitable banks and "problem banks" continued to fall. Community banks also reported another solid quarter. Their revenue and loan growth outpaced that of the overall industry."

In other words, Wall Street's talking points - even when Trump administration officials repeat them – don't withstand even minimal scrutiny. It is telling that when they make these claims they never back them up with independent, robust data and analysis. Their baseless, self-serving claims simply do not pass the smell test.

These claims have been conjured up by Wall Street's biggest banks, their lobbyists, and their trade associations to try to fool the public into thinking that the financial reform protections put in place to prevent crashes and bailouts are actually bad for the country. The facts show that's not true. Indeed, the facts show that strong financial regulations lead to a stable financial system that actually lends more and supports the economy more than fragile, undercapitalized firms that engage in high risk gambling to juice their bonuses. As was proved in 2008, those activities create bubbles and lead to crashes and bailouts, not sustainable economic activity that can produce broad based prosperity that the American people want and deserve.

Since it was founded, one of the things Better Markets has tried to do is cut through the bogus talking points, industry-funded studies, and the other mis-information churned out by Wall Street. We work to provide you with accurate and reliable information that cuts through the Wall Street fog machine and sets the record straight.



A Fearless Fighter Protecting the American People. The American people will soon be losing one of the leading architects of the financial reforms put in place since the 2008 financial crash. Federal Reserve Governor Dan Tarullo announced that he will be leaving the Fed in early April. For more than eight years, Gov. Tarullo has been a fearless fighter for protecting the American people from an unstable financial system, another financial crash, taxpayer bailouts and an economic catastrophe.

He has been at the center of virtually every US and international financial issue and reform since January 2009 when he was confirmed (in addition to all his other work at the Fed, including but not limited to his role in monetary policy and the related extraordinary measures taken to mitigate the economic wreckage caused by the 2008 crash). The importance of his work simply cannot be overstated. As Chairwoman Janet Yellen remarked in her typical understated way, "Dan led the Fed's work to craft a new framework for ensuring the safety and soundness of our financial system following the financial crisis and made invaluable contributions across the entire range of the Fed's responsibilities."

Using robust data, rigorous analysis and compelling arguments to rebut baseless, if not fraudulent, self-serving claims from Wall Street, Gov. Tarullo has stood steadfast as a sentinel on the front lines of a six-year war to turn the Dodd Frank financial reform law into a reality. Sensibly enacting financial reform so that it would be durably embedded in our financial system will be his legacy.

Gov. Tarullo has been a model public servant: honorable, hardworking, totally dedicated and courageous in fighting for what is right and best to protect the American people, the financial system and our economy. The American people will forever be in his debt.

Unfortunately, this departure means that there will be a total of three openings on the Fed's board of seven governors. It is critical that the President nominate highly qualified people who will prioritize the interests of the American people and who will act without fear or favor or ideological predisposition to protect the financial system while promoting employment and economic growth. While not well understood, the Fed impacts the livelihoods and well-being of every American and, as the misguided policies and views in the years before the 2008 financial crash prove, getting Fed policy wrong can have broad, deep and devastating ramifications for decades to come. Better Markets will be watching closely to see who the President nominates and will work to ensure that they are committed to protecting the economic progress and financial rules put in place since the 2008 financial crisis.