

AGENCIES AND AGENCY OVERSIGHT REFORM (as of January 1, 2010)

The various government agencies regulating the financial industry with their varying rules and standards have led to certain entities not being regulated at all, with others subject to less oversight than their peer financial firms organized under different charters. The House recently passed legislation outlining each agency's authority and increasing the types of entities subject to agency oversight. The Senate discussion draft bill overhauls the existing system.

	The Wall Street Reform and Consumer Protection Act of 2009, passed by the House on December 11, 2009	Senate Discussion Draft released by Senator Dodd on November 10, 2009
Major Agency Changes	<ul style="list-style-type: none"> - Office of Thrift Supervision (OTS) to become a division of the Office of the Comptroller of the Currency (OCC) - Creation of the Consumer Financial Protection Agency (CFPA) - Creation of Federal Insurance Office (FIO) 	<ul style="list-style-type: none"> - Creation of the Financial Institutions Regulatory Administration (FIRA) - Limits role of Federal Deposit Insurance Corporation (FDIC) and Federal Reserve - Creation of Agency for Financial Stability (AFS) - Creation of the Office of National Insurance within Treasury (ONI)
Major Changes in Agency Oversight	<ul style="list-style-type: none"> - OTS division to regulate federal savings associations - FDIC to regulate state savings associations - Federal Reserve to regulate savings and loan holding companies and their non-savings association subsidiaries - CFPA to oversee markets for consumer financial products and services and protect investors from abuses and strip rulemaking power relating to these matters from agencies who currently have such power under the Truth in Lending Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, and Real Estate Settlement Procedures Act; CFPA will have examination and enforcement powers - FIO to monitor and study insurance industry/issues and the adequacy of state insurance laws 	<ul style="list-style-type: none"> - FIRA to combine the functions of the OCC and OTS, the state bank supervisory functions of the FDIC and the Federal Reserve, and the bank holding company supervisory authority from the Federal Reserve - FDIC to focus on its jobs as deposit insurer, resolver of failed institutions and overseer of troubled banks - Federal Reserve to focus on monetary policy - AFS consists of members from other agencies that monitor systemic risk and make recommendations relating to capital adequacy, liquidity, etc. - ONI to monitor all aspects of the insurance industry, including identifying issues or gaps in the regulation of insurers that could contribute to a systemic crisis in the insurance industry or the financial system
Other	<ul style="list-style-type: none"> - Definition of the following entities revised to bring more entities under supervision/regulation: <ul style="list-style-type: none"> - Savings and Loan Holding Company - Bank Holding Company - Creation of the Financial Services Oversight Council, which is not an agency, but can provide recommendations relating to systemic risk, capital adequacy, liquidity, etc. to the various agencies 	<ul style="list-style-type: none"> - Certain financial entities may be designated as "specified" and subject to registration with FIRA and increased oversight by AFS