Protecting Your Money

What You Need to Know

The following answers are based on in-depth research, not "alternative facts". They are provided by the Bluegrass Activist Alliance research committee.

Our Values: The Bluegrass Activist Alliance believes that income inequality in our country is far too large and there should be fairness and transparency in all financial interactions.

Q. What is the Dodd Frank Act and why was it passed?
A. President Barack Obama signed The Dodd–Frank Wall Street Reform and Consumer Protection Act, commonly referred to as Dodd–Frank, after risky investment practices by some banks and other financial institutions caused the crash of 2008. This financial crisis caused millions of ordinary Americans to lose homes, jobs and retirement savings through little or no fault of their own.

Q. Why didn't the government prevent the crash?
A. There simply were no laws in place that prevented it. Therefore, Dodd Frank was passed to provide regulators with tools to protect both the needs of consumers and the business community. Dodd-Frank legislation aims "to promote the financial stability of the U.S. by improving accountability…in the financial system, to end 'too big to fail', to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes."

Q. How does Dodd Frank work?
A. Regulation of the financial sector is complicated and therefore the legislators who wrote Dodd-Frank created several offices to oversee banks and other investment companies. For example, the Consumer Financial Protection Bureau provided an appeal process to consumers who felt they had been harmed by unethical banking practices. Between 2011 and 2018, the CFPB returned 11.8 billion dollars to 29 million consumers.

Q. Are there other laws that protect consumers?
A. Yes. The Volker Rule. Often banks invest their own money in such things as stocks and real estate deals. There is nothing wrong with that unless those investments fail and the banks use either depositor or taxpayer money to cover those losses. The Volker Rule prevents banks that receive taxpayer backing in the form of federal deposit insurance, etc. from engaging in risky trading and lending activities.

Q. What is Andy Barr's position regarding Dodd-Frank?
A. Andy Barr says he wants to limit Dodd Frank in order to give consumers more choices and access to financial services. He further says he wishes to help community banks have less regulation so they can lend to small businesses. However, he says nothing about protecting consumers or taxpayers from risky investments. Mr. Barr repeatedly claims 1,500 banks have disappeared since 2010 and blames the Dodd-Frank Wall Street reform act for their disappearance. Actually, only 193 bank failures occurred between 2011 and

2015 and only two of these were in Kentucky.

In a speech in Richmond, Kentucky, to the Richmond Chamber of Commerce on March 9, 2016, Barr maintained Dodd-Frank limits small banks from providing the capital small businesses need to grow and hire. Dodd-Frank contains no such limits. It does require banks to hold enough money in reserve to pay for any losses so that the bank, rather than depositors or taxpayers, would be required to pay for their own losses. It is, after all, called the "Dodd-Frank Wall Street Reform and *Consumer Protection Act."*

Q. What is the Financial Choice Act of 2017.
A. This legislation, which Barr co-sponsors, eliminates the Volker rule that protects taxpayers from risky bank speculation and keeps regulators from using Dodd Frank to prevent the kinds of bad investments that led to the 2008 crash. It slashes power from the Consumer Financial Protection Bureau and removes big companies like AIG, Prudential Financial and other non-banks from any federal oversight. It requires that Congress approve all new regulation of the financial sector. This allows lobbyists with lots of money to influence Congress against regulating their companies. Finally, it repeals the rule that publicly traded companies must tell people how much more their executives make than their average employees.

Q. How are Andy Barr's campaign funds related to finance and banking?
A. Based on Federal Election Commission data available on February 01, 2018, Barr received more campaign funds from individuals and PACs in the investment and banking communities than from any other single industry.

For a more in-depth examination of this issues go to http://www.bluegrassactivistalliance.org/resistance-toolkit/research/ under "Financial"