Testimony of Dennis M. Kelleher
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Before
The U.S. House Committee on Financial Services
"Dodd-Frank Turns 15: Lessons Learned and the Road Ahead"
July 15, 2025

Good morning, Chairman Hill, Ranking Member Waters, and Members of the Committee. Thank you for the invitation to testify today.

My name is Dennis Kelleher, and I am the Co-founder, President and CEO of Better Markets, Inc. ("Better Markets"), which was founded 15 years ago on October 1, 2010, shortly after the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Wall Street Reform Law"). Better Markets is a non-profit, non-partisan, and independent organization created in the wake of the 2008 financial crisis ("2008 Crash") to promote the public interest in the economic and financial policymaking in Washington DC.

It is important to remember that the 2008 Crash was an avoidable man-made financial crash and disaster that, as detailed below, ruined the lives of tens of millions of Americans, grievously damaged our economy and financial system, ballooned the country's debt, and undermined the pillars of our democracy (which depends on an economy delivering rising living standards and broad based prosperity). It didn't have to happen and only happened because too many elected officials, policymakers, regulators, and others who should have known better listened to the financial industry's Siren song of deregulation, which, as in the Greek myth, inevitably resulted in a catastrophic crash. The overriding lesson that should be learned and guide the road ahead is to reject that baseless and misleading but appealing song, which the industry is singing again, and which will lead to an even more horrific result, in part because the country does not have the fiscal or monetary capacity to properly respond to another financial and economic crash.

The key to understanding the severity of this threat to the country is recognizing and admitting that too-big-to-fail, too-big-to-manage, too-big-to-jail, and too-big-to-regulate financial institutions remain alive, well, and getting much worse due to the deregulation juggernaut unleashed by the Trump administration. Like the existential threats posed to smaller countries like Iceland and Switzerland from their similarly dangerous institutions, these gigantic, sprawling, complex, highly leveraged, opaque, and global institutions are likely too-big-to-bail even in the U.S. given the fiscal, monetary, and political constraints. They clearly cannot be resolved without destabilizing contagion and bailouts, as proved beyond doubt by the inability to resolve the three much smaller banks that failed in 2023, the largest of which only had about $200 billion in assets. In stark and disturbing contrast, the 15 largest U.S. banks held a combined $14 trillion in assets as of March 31, 2025, with JPMorgan Chase having $3.64 trillion in assets; Bank of America with $2.26 trillion; Citigroup with $1.76 trillion; and Wells Fargo with $1.71 trillion. Because everyone knows (even if many won't admit) that those megabanks cannot be resolved individually or collectively in an orderly fashion without contagion, regulators have tried to varying degrees over the years to increase their resilience in the event of inevitable stressful situations that will threaten their viability. Engaging in massive deregulation that significantly reduces the resilience of these megabanks knowing that they cannot be resolved virtually guarantees that the next crash will be much worse than the 2008 Crash and could well cause a second Great Depression.

That catastrophe will have been as avoidable as the 2008 Crash, and for similar reasons. As evidenced by the years-long massive deregulation of the financial industry that directly led to the devastating 2008 Crash—which cost the U.S. more than $20 trillion and resulted in a lost generation of Americans—Washington's policymaking had been hijacked by special interests to serve the financial industry not Main Street families. Better Markets was created and designed to be a substantive advocacy counterweight to those special interests on behalf of the public interest as the Dodd-Frank Wall Street Reform Law was being implemented through hundreds of rulemakings. The goals of that reform law included consumer and investor protection, ending bailouts by ending the threat of too-big-to-fail, and refocusing the financial system on supporting the real productive economy. Achieving those vital goals **required that the financial industry be re-regulated** so that it would never again threaten Main Street Americans' jobs, homes, savings, retirements, and so much more.

Better Markets' goal is an economy that works for everyone, and produces broad-based economic growth, increases living standards, and closes the wealth and income gaps that are destroying the American Dream for far too many Americans. Those goals require a strong, stable, and well-regulated financial system that supports the real productive economy and is focused on wealth creation rather than wealth extraction. Only that will result in economic opportunity, security, and prosperity for all Americans, and protect and promote Americans' jobs, homes, savings, retirements, and more.

Over the past 15 years, Better Markets' team of substantive experts in banking, securities, commodities, derivatives, economics, finance, and law—many with experience in the private sector—have worked tirelessly to achieve those goals, including participating in virtually all of the rulemakings and litigations related to the implementation of the Dodd-Frank Wall Street Reform Law. For example, Better Markets has filed over 500 comment letters in connection with rulemakings at all the financial regulatory agencies and departments, participated in dozens of litigations, and testified numerous times, most related to the Dodd-Frank Wall Street Reform Law. We have also published hundreds of letters, reports, fact sheets, and white papers on policy related to economic and financial issues and have had hundreds of meetings with U.S. regulators and policymakers. Much of our attention has focused on critical issues before this Committee, including ensuring that the financial system (1) supports the real economy, Main Street families, small businesses, durable and sustainable economic growth, jobs, rising living standards, and wealth creation; (2) is strong, resilient, properly regulated, not prone to crashes, and not dependent on bailouts; (3) protects consumers, investors, markets, and financial stability; and (4) reduces wealth and income inequality. Our website, www.bettermarkets.org, includes information on these and our other public interest activities.

Prior to Better Markets, I had the privilege to work in the Congress as a senior staffer for three different U.S. Senators. In my last position, I served as Chief Counsel and Senior Leadership Advisor to the Chairman of the U.S. Senate Democratic Policy Committee, where I was involved in, among other things, the consideration and finalization of what became the Dodd-Frank Wall Street Reform Law. Before that, I served as Deputy Staff Director and General Counsel for what is now known as the U.S. Senate Health, Education, Labor & Pensions (HELP) Committee, and as Legislative Director and Leadership Advisor to the Secretary of the Democratic Caucus. Prior to my experience in the U.S. Senate, I was a partner at the global law firm of Skadden, Arps, Slate, Meagher & Flom, where I specialized in securities, financial markets, and corporate conduct in the U.S. and Europe. Prior to obtaining degrees with honors at Brandeis University and Harvard Law School, I enlisted in the U.S. Air Force while in high school and served four years active duty as a crash-rescue firefighter. I grew up in central Massachusetts. Additional information on my activities at Better Markets can be found here.

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Summary of Lessons Learned and Not Learned from the Dodd-Frank Wall Street Reform Law

1. **The financial industry was under the most robust regulation in history in the decades after the Great Depression and the New Deal and through the 1970s. At the same time, the U.S. economy grew at historic rates**, there was broad-based wealth creation, and the U.S. experienced no financial crashes, all proving that a strongly regulated financial industry is not only compatible with, but necessary to achieve, above-trend growth and stability.
    a. When financial institutions are not properly regulated, capital is misallocated away from the often-low margin, longer-term real economy activities to high margin, short-term financialized and wealth extraction activities, which stunts capital formation, starves the real productive economy, and decreases economic growth.

   b. The high margin financialized and wealth extraction activities are also usually highly leveraged and complex, which causes financial instability and threats to the real economy, leading to failures, crashes, and bailouts.

2. **Un- and under-regulated financial institutions pose grave threats to the U.S. economy and the lives and livelihoods of all Americans**, as proved by the Great Crash of 1929 and the Great Depression of the 1930s, the S&L crisis of the late 1980s and early 1990s, the 2008 Crash and the Great Recession, and the 2023 banking crisis and bailouts. The shocking breadth and depth of the damage done by the 2008 Crash illustrates this point:
   a. 13 months after the September 15, 2008, bankruptcy of Lehman Brothers, the U.S. unemployment rate was more than 17%, throwing more than 27 million Americans out of work.
   b. 16 million foreclosure filings happened during the Great Recession, causing millions of families to lose their homes.
   c. 40+% of homes in the U.S. were underwater, meaning their mortgages were higher than the value of their homes for years after the Lehman bankruptcy.
   d. 10 years passed before the unemployment rate in the U.S. returned to pre-2008 Crash levels.
   e. 8 years after the Lehman bankruptcy 90% of Americans were poorer at the end of 2016 than they were in 2007 by 17% to 34%.
   f. U.S debt more than doubled as a result of the 2008 Crash.
   g. $29 trillion was spent, lent, pledged or otherwise used or made available to bailout financial institutions as a result of the 2008 Crash, with the $700 billion Troubled Asset Relief Program (TARP) program being just the visible tip of the bailout iceberg.
      i. As detailed below, these bailouts enabled the financial industry to quickly recover in stark contrast to Main Street Americans who suffered year-after-year.

3. **The damage inflicted on every corner of the country by the 2008 Crash shows why financial regulation and reform should not be partisan political issues**, and why everyone should resist the temptation to force-fit financial reform onto a political or ideological spectrum.
   a. Financial regulation, financial reform, deregulation, crashes, and bailouts are not left-right issues.
   b. All Americans—Republicans, Democrats, Independents, and nonvoters - are well-served by and deserve an economy that works for everyone and a stable, strong financial system that supports the real economy, does not fail, and requires no taxpayer bailouts.
   c. When that isn't the case, all Americans suffer regardless of party affiliation, ideology, or voting status.

4. **U.S. financial institutions were dangerously deregulated and supersized in the decades before the 2008 Crash**, which directly led to, caused, and spread the 2008 Crash.
   a. Starting with the Reagan administration and lasting through the George W. Bush administration, the core pillars of the New Deal financial reforms that

ended years of boom-bust cycles and that protected Main Street Americans from the unregulated, high-risk activities of Wall Street were gradually eroded, weakened, and, ultimately, eliminated.

   b. That deregulation removed the layers of protection—supervisory, regulatory, and structural—between Main Street Americans and Wall Street's activities, resulting in Wall Street's 2008 Crash that devastated Main Street families.

5. **That deregulation resulted from many Washington policymakers being confused, misled, or incentivized to believe that the public interest coincides with the interests of the financial industry**, which virtually always claims that its interests overlap with the public interest and that the industry is primarily if not solely focused on economic growth, job growth, credit supply, and helping community banks, small businesses, and disadvantaged groups. The industry continues to restate these baseless claims—indeed, it's the chorus for their Siren song of deregulation.
   a. Those claims, however, are almost always just smokescreens behind which they hide their profit- and bonus-maximizing motives. We saw those claims in the years before the 2008 Crash and during the implementation of the Dodd-Frank Wall Street Reform Law. And we're seeing those claims relentlessly advanced today, as illustrated by the massive propaganda campaign against the Fed's proposed Basel III rule and by every deregulatory proposal the industry is pushing throughout the Trump administration.
   b. Financial institutions—from Wall Street to the smallest advisory firm on Main Street—are private, profit maximizing institutions like the rest of the private sector. Unlike the rest of the private sector, however, the financial industry is in the unique position of controlling the financial lifeblood of the economy, and they maximize their profits and bonuses by using that unique position to extract wealth through risky activities that often have little to no benefit for the real economy. People need to stop pretending that the primary goals of the financial industry are growing the economy, maximizing employment, making sure everyone has access to credit, ensuring customers are treated equally and fairly, etc. And they have to stop believing that deregulation is the way to achieve those goals, when in fact deregulation leads to crises, crashes, bailouts, and economic disasters that undermine all of the lofty goals the industry claims to care about.
6. **After the 2008 Crash, a comprehensive and effective financial reform law was necessary to re-regulate the financial industry, but the financial industry's war on reform prevented that from happening**.
   a. Wall Street and the broader financial industry besieged Congress with an army of thousands of lawyers, lobbyists, PR firms, and other allies to kill or cripple any financial reform legislation.
   b. As a result, the Dodd-Frank Wall Street Reform Law was not as effective as it should have been, and it was embedded with innumerable provisions that would favor the industry during the following year's long regulatory process.
      i. Foremost among the timebombs embedded in the law was delegating the implementation and details to the financial regulatory agencies,

which were charged with drafting, proposing, and finalizing more than 400 rules.

1. Given those agencies were required to follow the Administrative Procedure Act (APA), that meant it would be years before most of the provisions of the law became a reality. But that would only happen if those agencies could overcome the onslaught from the industry.

7. **The Dodd-Frank Wall Street Reform Law was far from perfect due to industry lobbying and its allies weakening what should have been a strong and effective law passed by a bipartisan supermajority. Nevertheless, the law could have and should have ended too-big-to-fail and bailouts; protected consumers and investors; restored financial stability; and redirected the financial industry** from high-risk socially useless wealth extraction activities to activities that would instead support the real productive economy.
   a. The law had the powers, authorities, and provisions to achieve these goals, including requiring:
      i. Adequate capital, liquidity, and margin to prevent failures and require financial institutions to absorb their own losses without bailouts.
      ii. A rigorous stress testing regime that would identify banks unable to withstand the inevitable markets shocks and downturns our economy experiences without failing and needing bailouts.
      iii. Resolution plans (living wills) enabling bankruptcy or wind-downs without contagion or bailouts.
      iv. Regulation of nonbanks and identification of emerging risks by the Financial Stability Oversight Council (FSOC), which could have eliminated regulatory arbitrage by ensuring systemically significant banks and nonbanks were similarly regulated.
      v. Exchange trading, clearing, registration, and disclosure in the securities and derivatives markets adequate to protect customers, investors, markets, market participants, and the financial system.
      vi. Banning dangerous proprietary trading by Wall Street's biggest banks and requiring that compensation schemes do not incentivize high risk conduct.
      vii. Separating the most dangerous and least socially useful derivatives trading at banks into separate, well-capitalized subsidiaries (the swaps push out).
      viii. A financial consumer protection agency empowered and funded to require financial institutions to comply with the law and protect consumers, which was also key to protecting financial stability.
      ix. Adopting a uniform fiduciary "best interest" standard for broker-dealers and investment advisors to prevent broker-dealers from recommending overpriced, underperforming, and risky investments.
      x. Reforming credit rating agencies, including eliminating the powerful conflicts of interest inherent in the "issuer pays" compensation model, which greatly contributed to the 2008 Crash.

8. **The Dodd-Frank Wall Street Reform Law didn't achieve its goals because the regulatory process to implement the Dodd-Frank Wall Street Reform Law was overwhelmed and captured by the very financial industry that was supposed to be regulated by the law.** The industry's army moved from besieging Congress to besieging the regulatory agencies where it weakened, if not killed, many of the core provisions of financial reform.
    a. When the Dodd-Frank Wall Street Reform Law passed Congress after a historic battle by the financial industry to defeat it, a top Wall Street lobbyist said it wasn't a defeat because it was only "half time," meaning that the industry was going to try to kill in the regulatory process what it wasn't able to kill in the legislative process.
    b. It then engaged in scorched earth trench warfare against the attempted implementation of the Dodd-Frank Wall Street Reform Law by the financial regulatory agencies, using every tool at their disposal, from the lure of high paying revolving door employment to the APA as a weapon to slow down and weaken virtually every rulemaking, preventing much of the law from ever becoming a reality.
    c. The entire APA rulemaking process was dominated if not monopolized by the financial industry with lopsided lobbying.
        i. For example, on the Volcker rule ban on proprietary trading, one study showed that 93.6% of the meetings at the agencies were with industry representatives.
    d. These efforts were substantially assisted by industry allies and sympathizers in government.
        i. at the agencies that often acted as de facto internal lobbyists for the financial industry. and
        ii. in Congress which often relentlessly attacked the agencies and regulators on behalf of the industry.
            1. Many of these industry allies and sympathizers, who were supposed to be acting in the public interest, left the agencies and Congress to spin through the revolving door to cash in by selling out their public service and going to work directly for the industry, usually against the very offices at which they had worked.
9. **The financial industry's attack also utilized the courts to delay and to kill those parts of the law they couldn't defeat in the legislative and regulatory processes.**
    a. When, after their best efforts, the industry was not able to weaken or kill a rule implementing the Dodd-Frank Wall Street Reform Law, they sued, often in friendly jurisdictions where their odds of getting industry-biased judges were highest and most likely to rule against the regulatory agencies.
    b. Even when they didn't win, the industry gained from delaying the implementation of the law during which time they continued their unregulated activities and enlisted Congressional and other allies to attack the law, the rulemaking process, the regulatory agencies, and anything else that stood in the way of their fight against financial reform.

10. **Parts of the Dodd-Frank Wall Street Reform Law were nonetheless implemented and some were effective**, before the rollbacks during the first Trump administration.
    a. Supervision and regulation at the biggest banks were substantially strengthened, which reduced the dangers from their highest-risk activities.
    b. Loss absorbing capital at the biggest banks increased substantially (although still not enough) and, despite the industry's claims, lending also increased (as did the financial industry's profits and bonuses).
    c. The unregulated derivatives markets were substantially regulated (although still insufficiently).
    d. Whistleblower programs were created and became effective, as did the investor protection advocate at the SEC.
    e. Asset-based securities regulation increased through a rule that required sponsors of securitizations to retain a meaningful amount of risk, i.e., "skin in the game," to ensure they have an incentive to take greater care when assembling their asset-backed securities (although there was a large loophole).
    f. The CFPB proved to be a strong, dedicated, and effective advocate for consumers of financial products.
    g. Many of these reforms directly contributed to the strength and stability of the banks and other financial institutions during the early days of the 2020 COVID 19 pandemic.
11. **The first Trump administration rolled back some of the implemented provisions of the Dodd-Frank Wall Street Reform Law and caused the 2023 bank failures and crisis.**
    a. 3 of the 4 largest bank failures in U.S. history happened in 2023 as a direct result of the industry's allies in the first Trump administration and in Congress rolling back key bank capital and liquidity provisions of the reform law during 2017-2020.
    b. Those failures caused a banking crisis that cost the American people more than $40 billion in direct costs and more than $300 billion in total costs.
    c. This proved yet again the dangers of deregulation.
12. **The current Trump administration's agenda has nevertheless put deregulation on steroids, which is extremely dangerous and will almost certainly lead to another catastrophic crash, likely worse than the 2008 Crash.**
    a. Deregulation[1] in just the first six months of the Trump administration—comprehensively tracked here—is deep, broad, and dangerous.
    b. This is happening at the SEC, CFTC, Federal Reserve, OCC, FDIC, NCUA, OFR, FSOC, and the Departments of Labor and Treasury, where Trump has

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[1] As used herein, "deregulation" is not limited to undoing existing rules and failing to enact necessary new rules. It also includes the failure and refusal to enforce existing laws and rules (via dropped lawsuits, announcements of nonenforcement, and the refusal to file lawsuits) as well as the failure to properly conduct supervision and examination of financial institutions. As noted during the first Trump administration, "banks get kinder, gentler treatment under Trump" across the full range of regulatory responsibilities. See also, "Bank bosses call for softer rules, Trump-nominated regulators listen."

installed leaders overtly and overly favorable to the industry that the agencies and departments are supposed to regulate in the public interest.

c. This deregulation is not limited to undoing existing rules and failing to enact necessary new rules. It also includes the failure and refusal to enforce existing laws and rules (via dropped lawsuits, baseless guidance, announcements of non-enforcement, the refusal to file lawsuits, and even attempts to undo prior settlements and reverse court decisions) as well as the failure to properly conduct supervision and examination of financial institutions.
d. There is also a wholesale attack on the very existence of the CFPB, which was the most effective consumer protection agency in the history of the country, and which now has been effectively eliminated as a functioning agency.
e. The deregulatory campaign also seeks to destroy the independence of agencies by placing them under the political control of the White House and removing commissioners and board members without any cause, merely because of political affiliation.
f. The cuts to the workforce at the other financial regulators, under the guise of making the government more efficient, simply means that there are fewer cops on the Wall Street beat to identify and prosecute financial misconduct, supervise and regulate banks, and protect financial stability.

13. **Moral hazard—financiers and bankers believing they can do anything, reap the short-term rewards, and never face accountability or consequences—is at an all-time high in the financial industry.**
    a. Not only was there zero accountability for the 2008 crash—not a single high-level executive at a major Wall Street bank was prosecuted—but those in finance were bailed out, reaped historically high profits, and pocketed hundreds of billions in bonuses. That happened again during and after the banking crisis of 2023. Rather than being held accountable, the bankers were rewarded.
    b. Given that finance is driven by a monetary incentive system, the only rational decision for financiers is to ramp up risk to the highest levels conceivable because they will reap the upside and not suffer the downside, which will be shifted to Main Street Americans as has happened over the past decades.
14. **To prevent the coming catastrophe, the financial industry must be strongly regulated, not deregulated. The point of regulation is to counterbalance the profit-maximizing, risk taking motivations of individual institutions with collective protections for the American public.**
    a. As the former CEO of Morgan Stanley, John Mack, said.
        i. “We [Wall Street and the broader financial industry] cannot control ourselves. You [lawmakers and regulators] have to step in and control the Street.”
    b. That’s because the prospect of unimaginable riches in the very short term of a year or two is impossible to resist. Financers and bankers will always figure

out a way to justify their conduct and conclude that it is not an inappropriate risk or action.

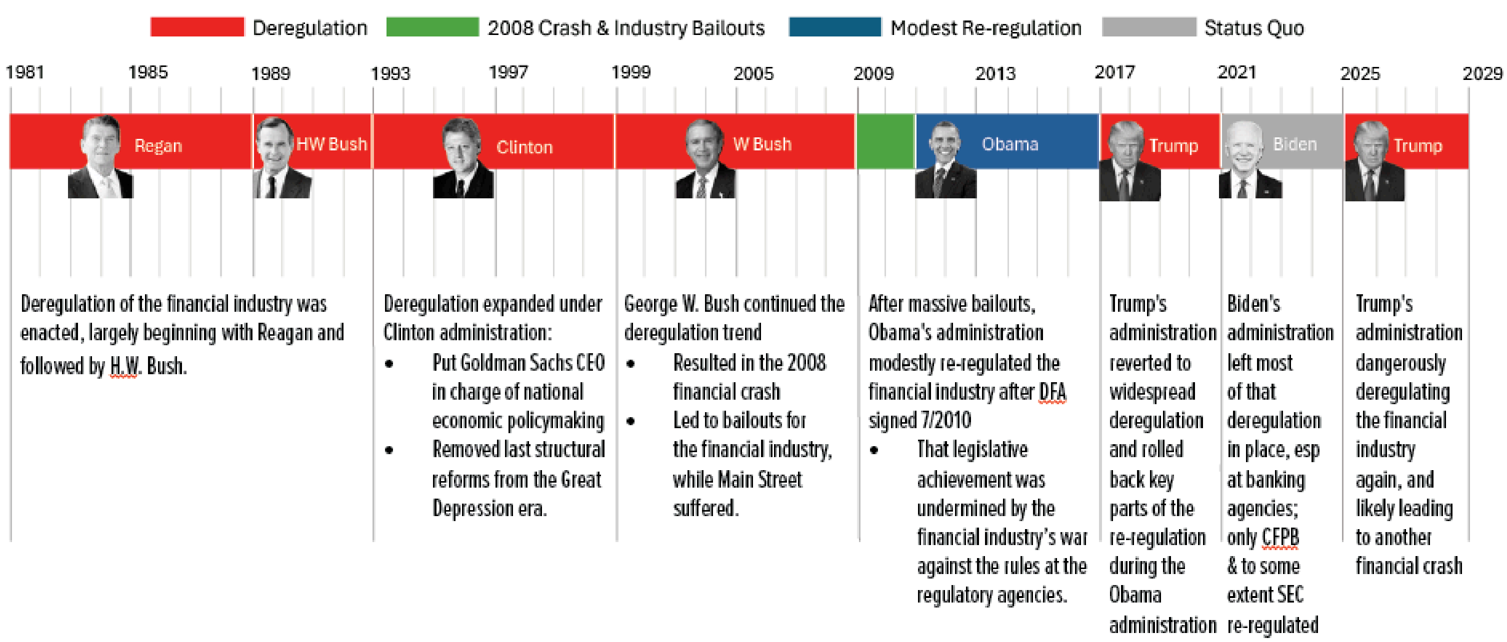
c. As Upton Sinclair said, "it is difficult to get a man to understand something when his salary [or bonus] depends upon him not understanding it."
    i. Self-restraint like self-regulation is not possible in the face of some temptations and $1 million to $100 million bonuses for just one year are exactly those types of temptations.

15. **Policymakers must accept that conflict in financial regulation is inevitable, healthy, and, indeed, a sign of success.**
    a. The attempt to have consensus or agreement among interested parties over financial reform and regulation cannot be achieved and should not be sought.
        i. Financial institutions are private companies seeking to maximize profits and are populated by people seeking to maximize compensation, both legitimate goals for private companies and the people who work at them. Policymakers, elected officials, and regulators are charged with protecting and promoting the public interest, which is often and inevitably in conflict with private sector profit and compensation maximization.
    b. Regulators and financiers/bankers bring—and should bring—different perspectives to these issues, which in turn lead to different views and, inevitably, disagreement**.** That is actually a good sign. That means that both are doing their respective jobs of representing their divergent interests.
    c. In the end, however, policymakers must have the resolve to do what is best for the public interest rather than yield to the self-serving goals of the financial industry in a vain quest for consensus.

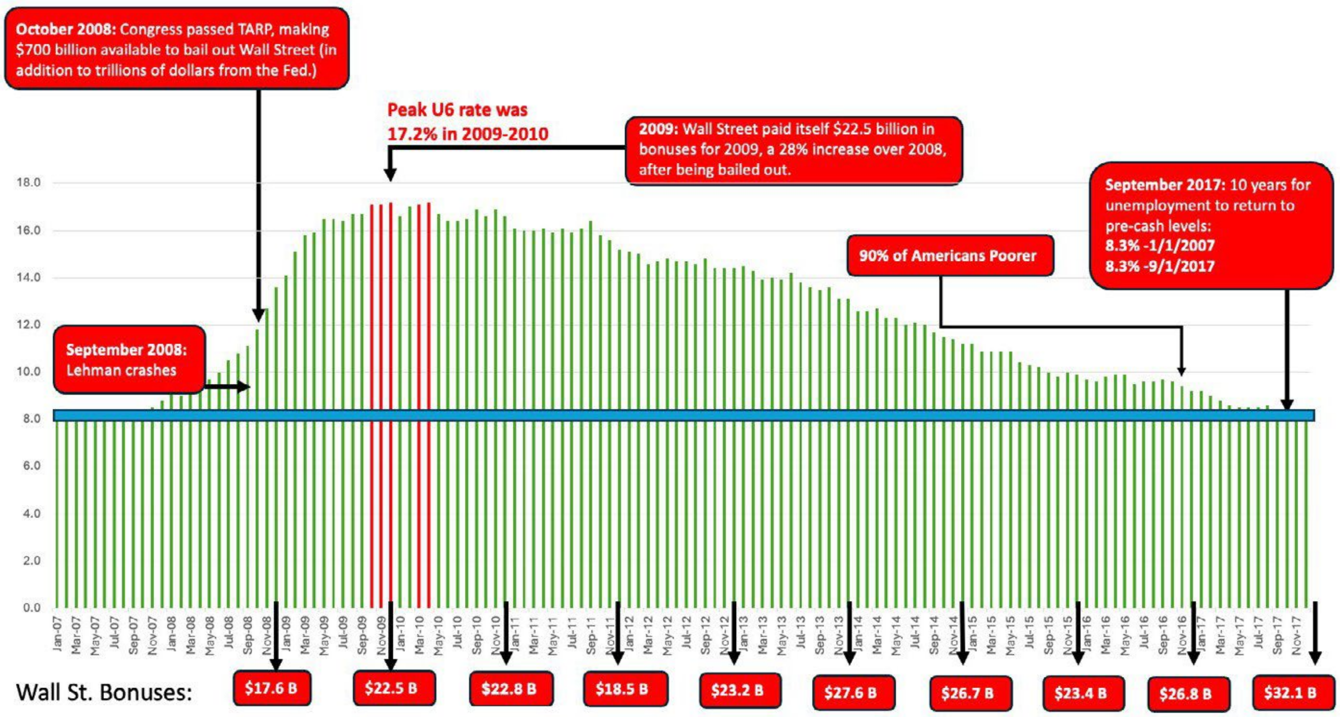
16. **Financial reform and properly regulating the financial industry isn't just a matter of economics and finance, but also a matter of a viable, sustainable democracy.**
    a. You can't have a functioning democracy without economic opportunity, security, prosperity, and growth that is broad based. Deregulation and the crashes it causes prevent all that by killing credit, lending, businesses, community banks, economic growth, and prosperity.
    b. As Vice President Henry Wallace said in 1944:
        i. "The issue is very simple. The question is whether the people, keeping themselves fully informed, can operate through democratic government to keep the national interest above the interests of Wall Street."
            1. As Martin Wolf detailed in his brilliant book The Crisis of Democratic Capitalism, the challenge VP Wallace identified faces this generation as it did the generations of the 1930s and 1940s.

Decades of Deregulation and the Crippling's Costs of the 2008 Crash

The actions of the Trump Administration in the months since the inauguration have already opened cracks in the foundations of our economic and financial systems. While Administration actions on tariffs and starting a trade war have received most of the attention, the cumulative impact of his massive deregulation of the financial industry thus far and as expected over the next four years—which JPMorgan Chase's CEO Jamie Dimon said has [bankers "dancing in the streets" with joy]—will return the country to the non-regulatory regime and anything goes culture that prevailed from 2000 to 2007, and directly caused the horrific 2008 Crash, which necessitated the re-regulation of the industry via the Dodd-Frank Wall Street Reform Law. Trump's actions are deregulation on steroids—to a degree that the country has never seen before—and come on top of four decades of deregulation and an already seriously under-regulated, overly fragile, and crisis-prone financial system (as proved by the recent costly and entirely unaddressed [2023 banking crisis]). To understand this, it helps to visualize the decades of deregulation that preceded Trump. This is what the regulatory history—or, more accurately, the deregulatory history—of the U.S. from 1980 through the next four years of Trump looks like:

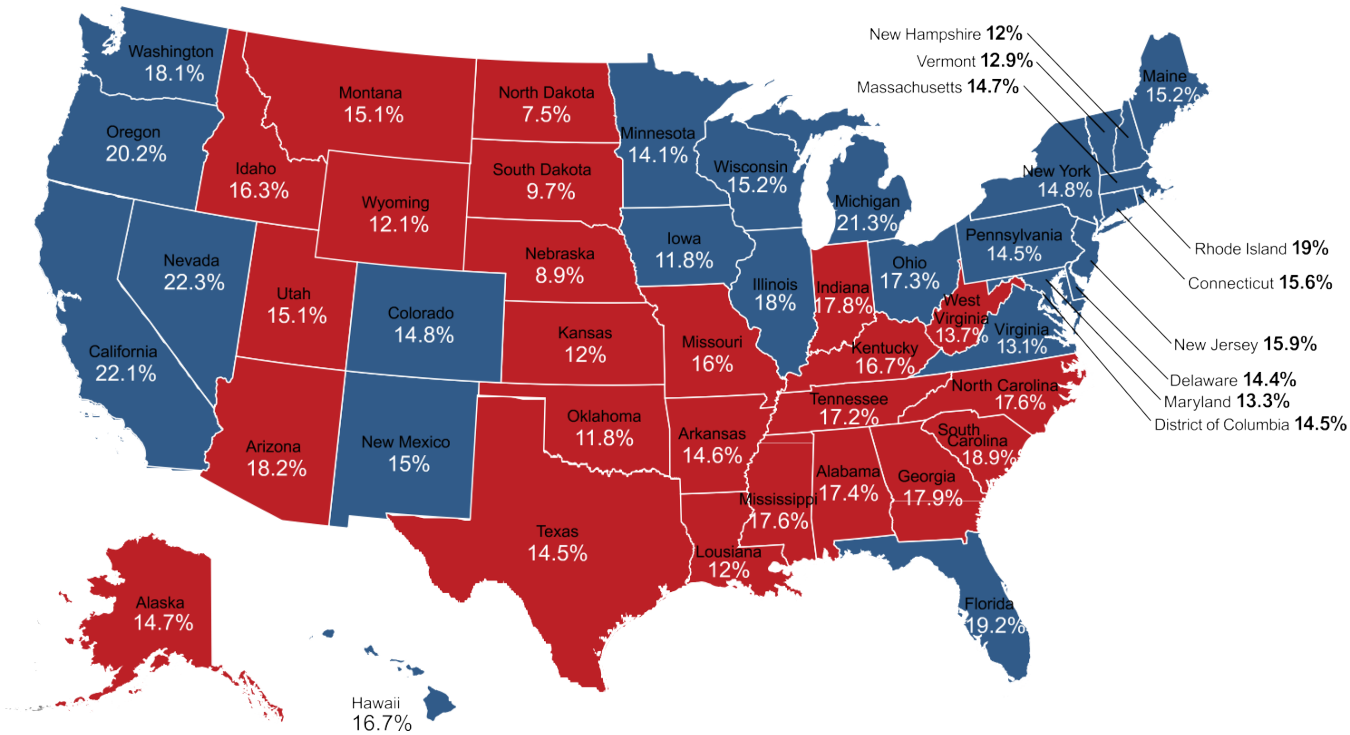


Trump adding four more years of deregulation and unleashing Wall Street and finance—appropriately referred to as a "new high water mark for deregulation"— are going to cause a catastrophic financial crash. It will almost certainly be worse than the 2008 Crash, which was the worst since 1929 and caused the worst economy since the Great Depression of the 1930s: it threw 27 million Americans out of work, caused 16 million foreclosure filings, pushed 40+% of homes underwater, and took 10 years for unemployment to return to 2007 levels:

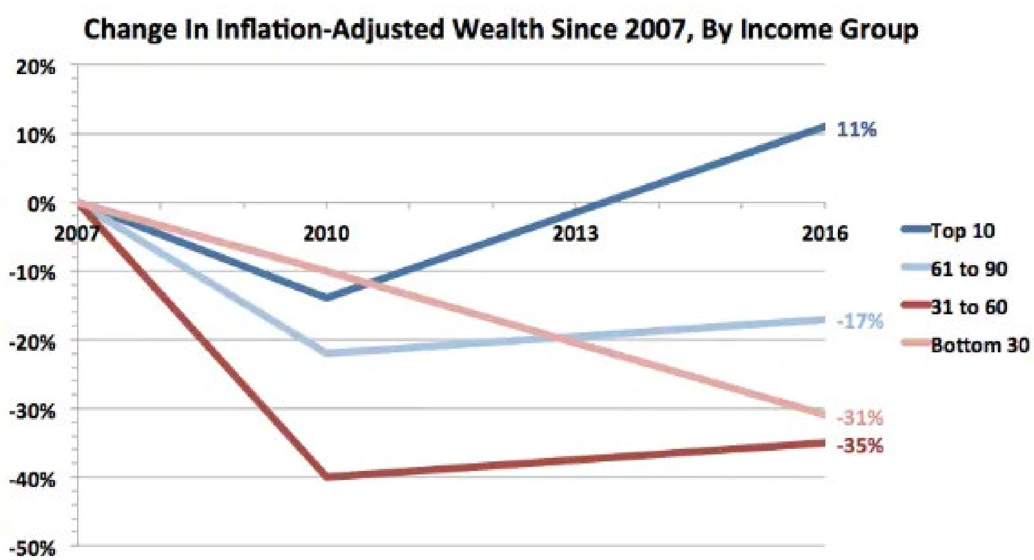


Note that while tens of millions of Americans suffered, Wall Street paid itself hundreds of billions of dollars in bonuses (the red bubbles at the bottom of the chart above), including $22.5 billion for the 12 months of 2009 when those banks were stuffing their pockets full of taxpayer bailout dollars.

It is important to remember that the incredible damage caused by the 2008 Crash was nationwide—no state was spared. The suffering was not limited to one part of the country or to the constituents of one party. The chart below shows the average of the U6 unemployment rate from the fourth quarter of 2009 through the third quarter of 2010 (by state colored by 2008 presidential vote). The 2008 Crash crushed people regardless of party, with 14.6% thrown out of work in red Arkansas and 16.7% in red Kentucky and 14.6% in blue New York and 22.1% in blue California.



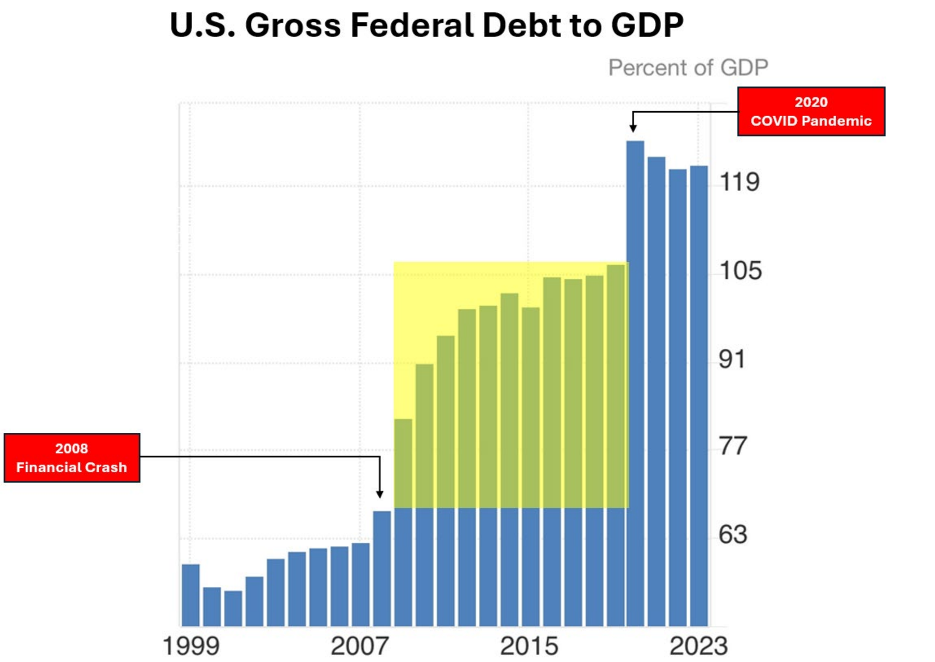
As a result of all the damage from the 2008 Crash and the bailouts, [90% of the American people were poorer in 2016 than they were in 2007 by between 17% to 35%] according to a Federal Reserve study:



(Source: Federal Reserve)

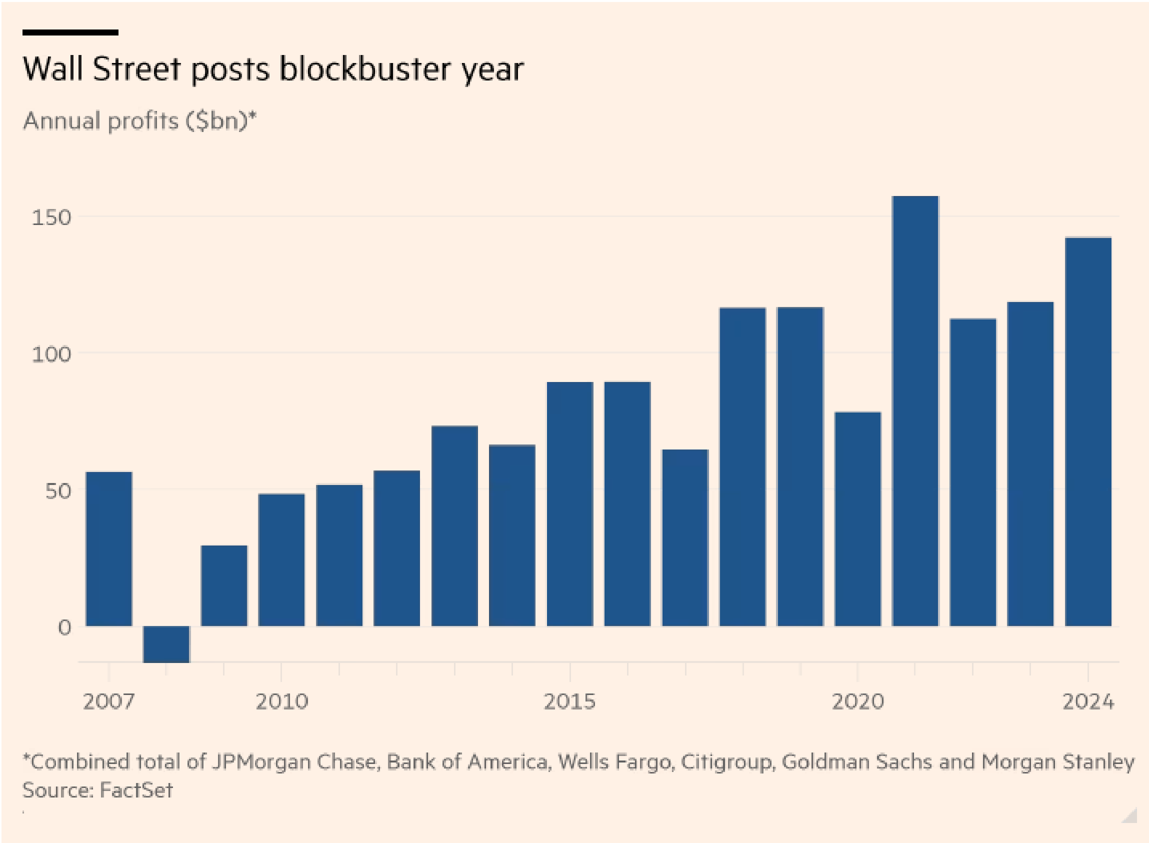
Ultimately, the 2008 Crash cost the country more than $20 trillion in lost GDP and resulted in trillions of dollars of no-accountability bailouts for the financial industry. Economically speaking, the 2008 Crash resulted in a lost generation of Americans, with dire political and social consequences.

The 2008 Crash also destroyed the country's finances: the crash-caused Great Recession resulted in tax receipts plummeting and social needs/costs skyrocketing, all on top of the costs the country incurred to pay for the bailouts of the financial system. The result was exploding annual deficits leading to a dramatic increase in the national debt:

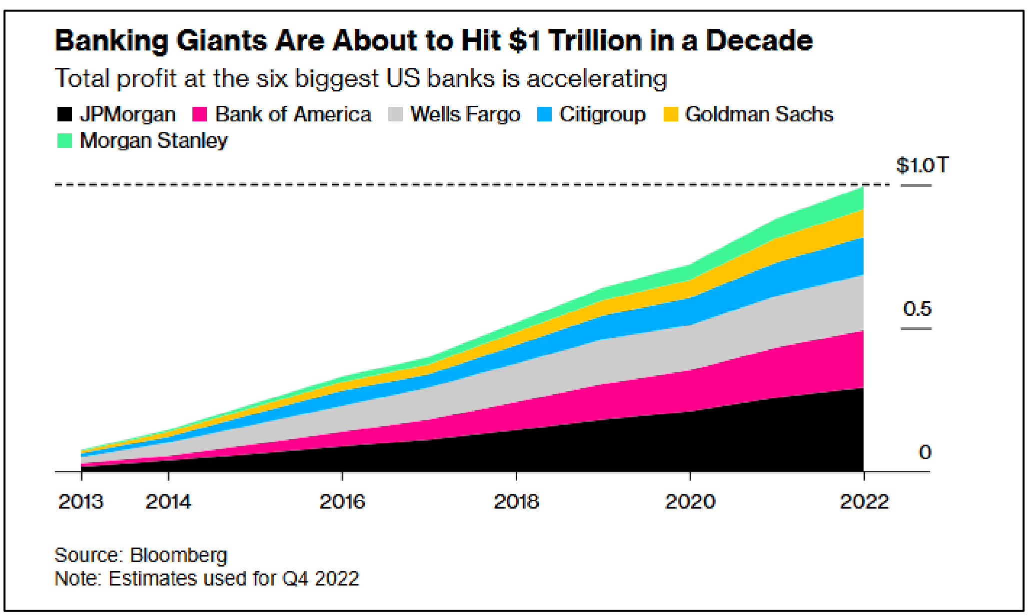


Source: Office of Management & Budget, The White House

Throughout that time—as the American people grievously suffered from the financial crash— the financial and banking industries reaped the benefits of deregulation, bailouts, subsidies, and favorable Federal Reserve policies. One stark indicator of that is the bonuses Wall Street's financial firms paid themselves (identified above), but another indicator is the historic profits pocketed by the financial and banking industries. For example, just the 6 biggest U.S. banks had $142 billion in profits in just 2024, the second-best year on record since 2007, the year before the 2008 Crash. As astonishing, as illustrated in this Financial Times chart, those 6 largest banks have made gigantic profits every year since the 2008 Crash, as the country suffered:



Put differently, as Bloomberg showed, [those six gigantic U.S. banks generated more than $1 trillion in profits in just the ten years from 2013-2022]:



Nevertheless, the financial industry and Wall Street's biggest banks in particular complain nonstop that regulators are choking their businesses with regulations. JPMorgan Chase's CEO Jamie Dimon is one of the most high-profile, vocal Wall Street CEO, frequently attacking regulators and regulations, including as his bank recently reported historically high profits for 2024. Just days after Trump's election, Dimon said, "a lot of bankers [are] dancing in the street because they've had successive years and years of regulations, a lot of which stymied credit," meaning lending. However, the actual facts demonstrate that the banks have not suffered under regulation, which has been minimal, weak, and largely ineffective.

The most recent data proves that beyond doubt: just the four biggest U.S. banks "account for 44 per cent of the U.S. banking industry profits—the highest share for the first nine months of [2024] since 2015—despite the pool taking in more than 4,000 of the country's other banks." Profits at the biggest banks "rose 90% in 2024" and "bonuses jump[ed] 32% as the total surges to a record"—that was just for Wall Street bonuses paid in New York City, not the entire financial industry, which was presumably multiples higher. Those record New York City bonuses totaled $47.5 billion. As is evident beyond reasonable dispute, **regulation has not stopped record revenue, profits, and bonuses.**

No less an authority than former hedge fund manager and current Secretary of the Treasury, Scott Bessent, recently said, "**for the last four decades…Wall Street has grown wealthier than ever before**."

Additionally, the industry's claims that regulations have caused reduced "credit," lending, economic growth, and job and business creation are also inconsistent with the facts. Ironically, the facts show that those outcomes are a direct result of under-regulation and the resulting crashes that inevitably follow. The 2008 Crash was caused by decades of deregulation, and that crash caused tens of millions of Americans to suffer economic hardship for more than a decade afterwards. While on a much smaller scale, that also happened as a result of the 2023 banking crisis: some estimated that it was going to reduce GDP by as much as 1% due to credit contraction.

Deregulation is what kills credit, lending, business and growth. That's what four more years of deregulatory under Trump is going to cause, maybe not immediately, but sooner or later. We believe that it is going to lead to a historically damaging financial crash, which will reverberate economically, socially, and politically for decades to come.

One reason that is so highly likely to be the case is because **moral hazard in finance—the belief that one can do anything, reap the short-term rewards, and never face accountability or consequences—has probably never been higher in the financial industry**—and for good reason. Not only was there zero accountability for the 2008 Crash, but those in finance were bailed out, reaped historically high profits, and pocketed hundreds of billions in bonuses. That happened again in and after the banking crisis of 2023. Rather than being held accountable, the bankers were rewarded. As detailed below, the deregulation and regulator (and prosecutor) capitulation since Trump was inaugurated six months ago are sending the message that the financial industry can do no wrong and, when it does, it will definitely not be punished. Given that finance is driven by a monetary incentive system, the only rational decision for financiers is to ramp up risk to the highest levels conceivable because they will reap the upside and not suffer the downside, which will be shifted to Main Street Americans, as has happened over the past decades.

The Great War of 1914-1918 was a global conflict that was one of the deadliest in history. When it ended, it was believed to be the worst that could ever happen in the world. But then World War II happened, which required The Great War to be renamed World War I. The Great Depression of the 1930s is so far the single worst economic catastrophe to befall the modern world. The economy after the 2008 Crash was the worst since the Great Depression, but didn't quite rise to that level, hence the appellation "the Great Recession." However, after Trump ushers in four years of historically broad and deep deregulation on top of decades of deregulation, the Great Depression may well become known as the First Great Depression after the next financial and economic crash.

Those are the stakes facing the United States and the world as Trump enacts deep, widespread deregulation, which will unleash Wall Street's megabanks and other large financial institutions on Main Street Americans, who will lose the vital protections those financial protection rules provide. Also, as happened in the 1920s and the early 2000s, deregulation in the U.S. will precipitate global deregulation and a global race to the regulatory bottom, ensuring that the coming crash will spread across the world, plunging all into catastrophe.

The Trump Administration's Dangerous Widespread Deregulation Is Going to Cause a Crash[2]

Consumer Financial Protection Bureau

The Trump Administration is attacking all of the federal regulatory agencies that protect investors, the financial markets, and the broader economy. But none of those assaults is more aggressive than the campaign against consumers as the Administration strives to dismantle the CFPB. The Administration sought to cut off its funding, fire nearly all of its staff, and shut down its operations. As one DOGE staffer has said, the Administration seeks to reduce the consumer watchdog to just "five men and a phone" in a room. And just last week, the Congress made good on Trump's promise by cutting the budget of the CFPB nearly in half via the budget bill. It is not a coincidence that the Administration and its allies in Congress would seek to gut the very agency that has provided $21 billion in relief to almost 200 million Americans in the last 14 years—that's $21 billion that the financial predators and the

[2] See also the April 29, 2025 Better Markets' Report entitled "Trump's Wall Street Deregulation on Steroids Is Going to Cause a Horrific Economic Crash on Main Street."

financial industry would like to keep in their pockets rather than that money benefiting the American people who were ripped off, discriminated against, lied to, and otherwise victimized by the financial industry.

Every American benefits from the CFPB being an effective cop on the financial consumer beat as demonstrated by its civil penalty fund's $3.3 billion in payments to Americans in every state. While only a small fraction of the $21 billion in relief secured by the CFPB for Americans, the civil penalty fund illustrates how everyone everywhere benefits from the CFPB. Here is a breakdown of payments by the CFPB from the civil penalty fund to harmed Americans by state:

The CFPB protects everyone regardless of party affiliation, voting status, or ideology. It doesn't matter to the CFPB if you live in a red or blue state. If you're ripped off or someone has broken the consumer protection laws, the CFPB is going to stand up for you and make the lawbreakers pay.

None of that matters to the Trump administration or the other industry-aligned critics of the CFPB. Beyond gutting the funding and staffing of the agency, the Trump Administration has also used the CFPB as a tool to dispense favors to the industry and undermine the rule of law. Specifically, the Administration has abandoned litigation and even settled consent orders against an array of financial firms, from big Wall Street banks to credit reporting agencies to student loan servicers to manufactured housing lenders. By one estimate, the CFPB has dropped more than half of all existing litigation.

On the policy front, Trump's CFPB (sometimes with the help of allies in Congress) has moved to rescind or repeal a host of rules and guidance meant to protect consumers from financial harm. Among the rules rescinded or repealed are those related to overdraft, medical debt, credit card late fees, data broker practices, and protections for Buy-Now-Pay-Later loans. On the guidance front, CFPB leadership has moved to dismantle the public-facing Consumer Complaint Database, a vital tool that has empowered millions of Americans to report fraud, abuse, and predatory practices. The rescissions also eliminated guidance that previously prevented nonbanks and fintech companies from misrepresenting themselves as FDIC-insured depository institutions—a tactic that has historically misled consumers into believing their funds are protected when they are not.

The Bureau has likewise announced its intent to reduce supervisory "events" (meaning, exams and the negative findings that could result) by 50%, regardless of the level of consumer complaints or alleged misconduct. In a shocking development, Bureau leadership has also said it will no longer prioritize supervision or enforcement of fair lending laws, and in a move without precedent, the CFPB attempted to nullify an already agreed-upon settlement related to discriminatory lending. In an action underscoring just how unprecedented and outrageous this attempt was, the U.S. District Court for the Northern District of Illinois recently rejected the CFPB's effort to nullify the settlement, relying in part on an amicus brief by Better Markets and other advocates.

One irony of all this is that only community banks – those with less than $10 billion in assets —are being supervised and regulated for consumer protection compliance because the Fed is mandated to do that. The CFPB is charged with doing that for banks with more than $10 billion in assets. So gutting the CFPB means that community banks are being regulated but Wall Street's megabanks are not.

Deregulation at the Banking Regulators

Properly implemented, the Dodd-Frank Wall Street Reform Law would have protected all Americans from the sort of excessive risk-taking and predatory practices that led to the 2008

Crash. It would have also helped to prevent or mitigate the next financial crisis. The financial system—particularly the biggest, most dangerous banks—is safer and less prone to contagion since the Dodd-Frank Wall Street Reform Law. However, the first Trump administration deregulated banks under $250 billion in assets, leading to the 2023 failures and bailouts. Moreover, recent deregulatory actions by the Trump Administration have opened cracks and exposed significant vulnerabilities that endanger the economy, financial system, banks, and Main Street America.

Despite the financial reform law's goal to eliminate too-big-to-fail (the idea that the government will always bail out the big, systemically important firms rather than let them fail) is alive, well, and getting worse. In fact, recent actions by the OCC and FDIC to loosen merger rules and policies to make them more industry-friendly have made the too-big-to-fail problem worse. One of the more egregious aspects is the regulators do not have to consider financial stability when considering an application for a bank merger. This is not a theoretical problem; in April 2025, the Fed and OCC approved the Capital One-Discover bank merger, which creates the 6th largest bank in the country and the largest credit card lender. This merger will cost consumers and endanger financial stability by allowing two banks with egregious histories of inadequate management, excessive risk-taking, and repeated illegal behavior to grow even larger and more interconnected. Rather than stopping such outrageous and inappropriate behavior, regulators are rewarding it. Moreover, the FDIC loosened expectations for large banks' planning for potential failures, which means a greater chance of contagion that would spread to other banks and the economy during a crisis, ultimately increasing the cost and risk of the next financial crisis.

All large, systemically important banks should be required to have sufficient liquid, high-quality capital to absorb their own losses without needing taxpayer bailouts or extraordinary emergency support from the Fed or other parts of the government. As proven during the 2008 Crash, the COVID-19 pandemic, and most recently in the 2023 banking crisis, this is simply not the case. Because banks do not have enough capital, an array of government programs and bailouts have been used to stop the contagion and risk from spreading to other parts of the financial system and collapsing the economy into a second Great Depression. After four years of deregulation under the first Trump administration, there was a full agenda waiting for the Fed, including the priority of finalizing the Basel III capital rules, the so-called "Endgame." Unfortunately, now two years after the July 2023 Basel Endgame proposal, the banking regulators have still failed to strengthen capital requirements for the megabanks. Instead, the regulators have proposed to weaken capital requirements with changes to the enhanced supplementary leverage ratio capital requirement, which would reduce capital requirements by an astonishing 27 percent for depository institution subsidiaries of the megabanks. The Fed is also moving ahead with dangerous changes that will fundamentally undermine the bank capital stress tests, making them less valuable and less sensitive to deterioration in bank conditions that could lead to bank failure or a banking crisis.

Regulators have also failed to implement rules to hold bank boards and executives accountable, allowing the megabanks to enrich themselves and shareholders after executives pocketed hundreds of billions of dollars and avoiding any punishment for wrongdoing or misconduct. The Dodd-Frank Wall Street Reform Law recognized this unjust and unfair imbalance of incentives, and with Section 956, directed financial regulators to remedy it with a set of new rules for financial institutions and executives to follow related to incentive-based compensation. New rules were due within 9 months of the passage of the financial reform law, but unfortunately, more than 14 years have passed since that "deadline," and there is still no incentive-based compensation rule. Adding insult to injury, rules to hold bank boards of directors accountable for meeting basic, minimum standards for operating safely and fairly have been weakened. For example, in March 2025, the FDIC rescinded its proposed standards for corporate governance.

Over the last six months, all of the banking regulators have catered to Wall Street rather than protecting Main Street families and community banks. Newly confirmed Vice Chair for Supervision Michelle Bowman claims to care about Main Street, but has enthusiastically and unequivocally supported Wall Street with mindless deregulation. Acting FDIC Chairman Travis Hill has prioritized an anti-regulatory, pro-industry agenda that includes supporting fintech, crypto, bank mergers, and hot money brokered deposits rather than focusing on the FDIC's core mission to protect Main Street Americans' savings accounts, the banking system, and the economy. Likewise, Acting Comptroller of the Currency Rodney Hood detailed the OCC's priorities, which include supporting fintechs, digital assets, and reducing regulation to unburden the banks. The banking agencies' actions have demonstrated their stated focus on deregulation and their lack of focus on protecting consumers, including by rescinding the Community Reinvestment Act final rule and stopping work to find and end discriminatory practices at banks.

Finally, under the guise of innovation, the banking agencies are allowing unregulated/risky activities into the banking system. This is not unlike listening to the Siren song of allowing subprime mortgage activities into the banking system, which served as one of the primary drivers of the 2008 Crash. These actions are also reminiscent of—and will likely have a similar impact to—the complete deregulation of derivatives in 2000, which was both a key cause of the 2008 Crash and a conveyor belt spreading risk worldwide. The OCC, Fed, and FDIC have removed crypto guardrails for banks that want to handle crypto assets. The Fed, OCC, and FDIC have also all removed, or are working to remove, reputational risk from examinations, eliminating a vital early-warning system that will no longer be able to stop risky or discriminatory bank activities. Finally, the OCC has welcomed fintech companies into the banking system with the approval of applications and is considering additional companies' applications for a national trust bank charter.

Neutering and Misusing the Financial Stability Oversight Council

The financial crisis revealed a number of structural issues in U.S. financial regulation. Importantly, gaps in regulation left many so-called "nonbanks" or "shadow banks" that engaged in bank-like activities, such as AIG, Bear Stearns, and Lehman Brothers, unregulated or underregulated. In addition, financial regulation was significantly siloed—

individual regulators oversaw the particular activities and entities within their jurisdiction, but no one regulator monitored the entire financial system for risks. The Dodd-Frank Wall Street Reform Law established FSOC to remedy these critical shortcomings and to ensure that systemically significant banks and nonbanks were similarly regulated, thereby ending regulatory arbitrage.

Under the Obama Administration, the FSOC undertook its statutory mandate to designate "systemically important" nonbanks that posed a threat to the U.S. financial system, subjecting them to enhanced prudential standards and oversight. Though the Obama Administration designated just four financial firms for prudential regulation—Prudential, GE Capital, AIG, and MetLife—the FSOC made progress in identifying other nonbank financial risks. Likewise, the FSOC used authority under Section 120 of the Dodd-Frank Wall Street Reform Law to recommend that the SEC take steps to further mitigate the risks of money market funds. The SEC acted after the FSOC's actions.

But during the first Trump Administration, the FSOC abandoned its mission and mandate. The Council voted to de-designate AIG as a systemically important nonbank firm even though the company was larger and more interconnected than at the time of its designation. The FSOC also abandoned the defense of its designation of MetLife, which challenged the decision in federal court. Finally, the FSOC also de-designated Prudential Insurance. In addition to these individual de-designations, the FSOC also issued new guidance that intentionally made it nearly impossible to designate future nonbank firms for prudential regulation.

While the Biden Administration took steps to shore up the funding and staffing of the FSOC and worked to undo the designation guidance of the first Trump Administration, the second Trump Administration seems intent on using the FSOC as a tool to deregulate the financial sector and force unanimity within the member agencies.

Crippling the Office of Financial Research (OFR)

When the 2008 Crash hit, policymakers often did not have the data, information, or analysis on the financial system and the largest institutions to make informed decisions. The Dodd-Frank Wall Street Reform Law attempted to address that by creating the OFR to "improve the quality of financial data available to policymakers and facilitate more robust and sophisticated analysis of the financial system." During the Obama and Biden Administrations, the OFR was staffed and funded, and produced extensive, high-quality data and research to inform policymakers and the public about critical issues related to the financial system and financial stability.

For example, the OFR established a host of monitoring tools—including the bank systemic risk monitor, the financial stress index, and the money market monitor—during the Obama Administration. During the Biden Administration, the OFR began an ongoing data collection project related to non-centrally cleared bilateral transactions in the U.S. repo market, the only repo market segment lacking a transaction-level data source.

During the first Trump Administration, the OFR shrank its staff. And recently, policymakers tried to advance budget legislation, H.R. 1, that would fully defund and dismantle the OFR. While the Senate parliamentarian excluded the OFR provision from the budget bill, the continued existence and efficacy of the Office remain at risk of severe budget and staffing cuts. Unfortunately, this is part of the Trump administration's attempt to make "federal data disappear" more broadly.

Deregulation at the Securities and Exchange Commission

The SEC, an historically independent agency, was created in the wake of the Great Crash of 1929 to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation. Since then, the U.S. financial markets have been, for the most part, well-regulated and well-policed, and that has engendered the faith and trust of investors worldwide. As a result, the U.S. has benefited from the deepest, most liquid, most efficient markets in the world, which have provided the fuel for the U.S. economy and standard of living.

However, the SEC's actions since Trump was elected signal a decided shift from those historic and critically important roles, especially of protecting investors which is being deprioritized to protect industry interests. The SEC is rapidly **moving from investor protection to management protection**. In fact, prior to Chair Atkins' confirmation, Acting Chairman Uyeda explicitly—and incorrectly—said as much when noting that since the inauguration:

> "the Commission has begun the process of returning to its narrow mission to facilitate capital formation."

There is no such "narrow" mission, and that benighted statement is directly inconsistent with the plain language of the statute creating the SEC.

Trump's acting SEC Chair did not wait for the new chair to be nominated or confirmed before undertaking widespread deregulation of the securities industry and weakened enforcement. Those actions included delaying reporting and disclosure requirement, proposing rules to open up unregulated private markets to retail investors, issuing new restrictive guidance for shareholder proposals, preventing large shareholders from engaging with companies on environmental or social issues, reducing information to catch lawbreakers via the Consolidated Audit Trail (CAT), permitting around-the-clock trading, dismantling the crypto enforcement unit, repealing accounting guidance designed to protect the financial system from crypto's risks, pausing and likely abandoning defense of the climate risk disclosure rule, declares memecoins unregulated, issuing guidance that stablecoins may not be securities, and taking actions to drop key lawsuits against lawbreakers like Binance as well as lawsuits filed by industry against rules they oppose.

Chair Atkins has continued this deregulation spree. For example, a key provision of the Dodd-Frank Wall Street Reform Law was the creation of the resoundingly successful whistleblower program at the SEC. That program incentivizes people to "blow the whistle" on lawbreaking by Wall Street's biggest firms by authorizing awards to whistleblowers who provide the SEC with information that leads to a successful enforcement action. Without costing a penny to U.S. taxpayers, the program has allowed the SEC to catch numerous fraudsters and return billions of dollars to defrauded Americans. Unfortunately, Chair Atkins has criticized the program and the SEC has not issued a whistleblower award since the day Atkins was sworn in.

Other actions taken by the SEC under Chair Atkins, and under Acting Chair Mark Uyeda before him, have been even more pernicious. During the first Trump Administration and the Biden Administration, the SEC brought cases to protect investors from the lawless crypto industry. Despite winning almost 100% of these cases, Trump's SEC has dismissed, agreed to dismiss, or paused cases that it had brought to force crypto firms to comply with the law—from stopping fraud to requiring firms to register with the agency and provide investors with adequate information. Registration would provide investors with the disclosures they need to navigate an industry rife with fraud, scams, and abuses, and prevent the commingling of functions and conflicts of interest that the securities laws prohibit in the rest of the securities industry. In addition to capitulating in specific cases, the SEC dismantled the crypto unit in the Division of Enforcement. The SEC's recent actions in the crypto space are shocking and unprecedented, undermining the SEC's reputation and integrity as well as the rule of law.

No less shocking is the SEC's weakening of the Consolidated Audit Trail (CAT). The CAT enables the SEC to not only manage and better understand market disruptions and crashes but also to identify, deter, and punish illegal manipulations and other trading abuses to better protect investors. Yet in February, the SEC issued an order providing that the CAT will no longer be required to collect key information for most natural persons. This will make it harder for the SEC to detect misconduct in the securities industry and identify the perpetrators. Given that it's the SEC's job to detect misconduct in the securities industry and hold the perpetrators accountable, the SEC's decision to make its own job harder and the job of financial lawbreakers easier is inexplicable.

Just as inexplicable is the SEC's push to expose retail investors to private market assets. Chair Atkins has already directed the staff to revisit guidance that prevents private funds from selling to retail investors. And the SEC has already allowed trading of an exchange-traded fund (ETF) that intends to invest in private credit. This poses numerous significant risks to retail investors with few if any offsetting benefits. The assets in private credit funds—non-bank loans—are illiquid, opaque, and hard to value, which is why such funds are normally sold only to institutional and other accredited investors. Even those investors have difficulty valuing loans that rarely trade, and even those investors have suffered massive losses as a result. Retail investors are unlikely to fare any better and will probably fare much worse.

These are just some of the deregulatory actions that the SEC has taken in the last six months that endanger investors. The SEC has also stopped defending rules intended to provide investors with material information; extended the compliance dates for rules intended to promote financial stability; and withdrawn rules intended to ensure investors receive the best prices when trading securities, protect investors from the dangers of artificial intelligence, and shield investors from cybersecurity risks. The SEC has further issued guidance making it harder for shareholders to engage with the companies they own and easier for those companies to exclude shareholder proposals. And the SEC has indicated that companies can expect a "more sympathetic ear" when it comes to the imposition of penalties when they are caught breaking the law.

If the SEC continues on this track, it will be fair to say that its mission is no longer to protect investors but to protect the industry it is supposed to regulate.

Killing Independent Agencies and Politicizing Rulemaking

Trump's deregulation juggernaut is so extensive that some of it is actually beyond the imagination of most people. For example, it is clear that the Trump administration intends to eliminate independent financial regulatory agencies and turn them into one-party echo chambers taking direction from the White House. This politicization of financial regulation was inconceivable before Trump's election and will undermine the quality and consistency of agency decisions and actions while guaranteeing destabilizing policy swings with each Presidential election.

Trump has issued an executive order to this effect and has already fired the two Democratic commissioners at the FTC and the two Democratic commissioners at the NCUA. He has also nominated a new Republican Chair of the CFTC, but for the term that was occupied by a Democratic commissioner; that Commission will soon have only one member, with no other commissioner nominations pending, which will seriously impair the ability of the agency to fulfill its mandated mission. Trump has so far refused to nominate any Democrats for the SEC, as well, and that agency will become a partisan one-party Commission by the end of the year.

Importantly, these actions will not only eliminate the minority party's voices from the critical issues facing our economy and financial system at these key regulatory agencies. They will also likely chill the majority members who remain who will correctly fear being abruptly fired without notice or cause if they do not do exactly as the White House dictates. Thus, Trump's actions will convert these previously independent agencies into mere extensions of the political operations at the White House.

Trump's plan to control the financial regulatory agencies goes far beyond having only his Republican appointees running the agencies. For example, the Treasury Secretary has repeatedly asserted a role in "coordinating" the independent agencies. The Treasury Department has been convening private meetings with the banking regulators to take "a bigger role in streamlining and coordinating plans to ease regulation." It plans on taking "the lead in crafting recommendations on the policy agenda," "play a greater role in banking regulation, including the process for determining large banks' stress capital buffers," and "review a landmark bank-capital proposal and the Supplementary Leverage Ratio."

Moreover, Trump issued a memo directing agencies to "quickly repeal" rules deemed "unlawful, unnecessary, and onerous" without adhering to the process provided for in the Administrative Procedures Act (APA), which governs all rulemakings. While the memo claimed such actions were legal under the "good cause" exception in the APA, such a claim has never been legally tested and is likely illegal, although it is far from certain that increasingly biased and Trump-favorable courts will rule that is the case.

Finally, as detailed in a April 18, 2024, 25-page draft guidance memo from the Acting Administrator of the Office of Information and Regulatory Affairs (OIRA), Trump is instructing all agencies "to involve the White House regulatory office at all stages of rulemakings" and "to appoint a regulatory policy officer" to ensure that happens. It also prohibits the agencies from discussing "proposed regulations until they are approved by the White House." This is an unprecedented political intrusion into the activities, actions, and deliberations of independent agencies, which, if followed, would make them little more than offices of the White House and thoroughly politicized.

De facto eliminating independent financial regulatory agencies and politicizing rulemaking guarantees instability and wide if not wild policy swings with each change of administration.