

U.S. DEPARTMENT OF THE TREASURY

Press Center



Statement of Secretary Lew on the Four-Year Anniversary of the Enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act

7/21/2014

WASHINGTON – “Today marks the four-year anniversary since President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, the most comprehensive set of reforms to our financial system since the Great Depression.

When the financial crisis gripped the U.S. and global economies in 2007 and 2008, its damage was felt not only by financial markets but rippled through the entire economy, resulting in trillions of dollars of lost wealth, millions of lost homes and jobs, and countless lives upended. The government’s response to the crisis was forceful, but as we worked to repair the damage, we also pursued Wall Street Reform to lay the groundwork for a safer financial system and to curtail the behavior and practices that put our financial system and economy at risk.

We have reached many significant milestones since the passage of Wall Street Reform:

- For the first time, there is a federal agency dedicated to protecting consumers in the financial marketplace, with the Consumer Financial Protection Bureau fully established and committed to making financial services and products work better for Americans.
- We established the Financial Stability Oversight Council, which has worked to fulfill its mandate to assess risks to financial stability across the financial system, work to mitigate those risks, and promote market discipline.
- With the Volcker Rule finalized, taxpayers no longer stand behind banks’ risky proprietary trading, and banks’ CEOs must establish a “tone at the top” that sends the right signal to the whole firm.
- The largest banks are now subject to annual stress tests, they must maintain higher levels of high-quality capital, and they are developing living wills that explain how they could be resolved in the event of their failure.
- Regulators now have a way to wind down a failing financial institution that protects the broader economy without leaving taxpayers on the hook – a tool we did not have when the financial crisis hit.
- And we have brought over-the-counter derivatives markets out of the shadows and into regulated trading and central clearing, increasing transparency and reducing excessive risk taking that was at the heart of the financial crisis.

Implementing Wall Street Reform has taken time, often longer than we would like, but our work to improve the resiliency of the financial system must continue. Regulators are completing action to address structural weaknesses in important market-based finance activities, such as money market funds and tri-party repo, which have presented risk to the financial system as a whole. But as we recognize these accomplishments, we must always remain vigilant to new risks. Further, the financial system is global in nature, and we must continue to push for stronger standards around the world. Nevertheless, we can say without question that our financial system is safer and stronger as a result of these hard-won reforms, and today our economy is in a far better position to grow and create jobs.”

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