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BDA Legislative Update: Senate Approves Financial Regulatory Reform Bill.

After weeks of debate and discussion over 100 amendments, yesterday the Senate passed a financial reform bill by a vote of 67-31. *The Economic Growth, Regulatory Relief, and Consumer Protection Act* (S. 2155) makes bipartisan changes to the Dodd-Frank Act that will right-size post-crisis rules that were imposed on small and regional lenders after the global financial crisis.

Important to BDA members, S. 2155 includes a provision that directs the FDIC, the Federal Reserve, and the OCC to classify qualifying investment-grade, liquid and readily-marketable municipal securities as level 2B liquid assets under the agencies' liquidity coverage ratio rules. BDA has long supported "high-quality liquid asset" (HQLA) provisions like this one.

BDA will send a thank you letter to all the Senators thanking them for the HQLA provision and passage of the bill.

The House passed its version of financial reform legislation, the *Financial CHOICE Act* (H.R. 10), last June. Both H.R.10 and S. 2155 have a variety of similar provisions, including a type of regulatory off-ramp, however S. 2155 does not roll back Dodd-Frank regulations to the same degree as the CHOICE Act. Because of these differences, it will be challenging for both the House and Senate to conference a bill together and the future of a financial regulatory bill getting signed into law is uncertain.

BDA will continue to keep you updated as financial regulatory reform proposals advance through Congress.