The Daily Dish

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The CFPB will be starting a study into how low to middle income Americans use prepaid credit cards. Working with American Express, the agency will receive data from the company to see how citizens save and spend. The project is a by-product of Dodd-Frank, which just this year has imposed $16.7 billion and 6.2 million paperwork hours in compliance costs.

AAF's Weekly Checkup finds that lower deductibles are becoming more rare for the Silver, or "benchmark," health care insurance plans. The trend shows that, compared to last year, the number of plans offering deductibles under $4,000 have decreased while deductibles over $4,000 are on the rise. Not a trend that will please most consumers.

Eakinomics: Cromnibus Redux

Exhale. It is over. Saturday, the Senate passed the $1.1 trillion 2015 funding bill known as the "Cromnibus." But it was not without controversy, particularly because of the inclusion of a provision amending the Dodd-Frank financial reform act. As described by the progressive Huffington Post "One controversial provision in the spending bill weakens the Dodd-Frank Act's restrictions on banks that want to trade in the same sorts of risky derivatives that sparked the financial meltdown of 2008, and allows the banks to back their bets with taxpayer-backed insurance.

This hyperbole was present in the House debate and repeated in the Senate. A sober assessment, however, looks very different. The Dodd-Frank provision required that banks "push out" swaps and other derivatives to affiliates of the bank, and not be traded directly by banks. The Cromnibus provision reversed the decision. Opposition was fueled by reports that the provision was drafted by a lobbyist for a big bank. But the provision affects banks of all sizes and permits their customers to do "one-stop" shopping for financial services. Moreover, "pushing out" derivatives runs directly counter to the notion that banks should be less complex — which is among the real objectives of Dodd-Frank.

Finally, a review of the history of the provision shows that everyone from Ben Bernanke to Paul Volcker to Tim Geithner thought push-out was undesirable. Democrat financial services architects Barney Frank and Maxine Waters originally opposed push-out. Indeed, Representative Jim Hines, the key architect of the original provision, supported its revision.

The politics of push-out don't match the policy reality. Fortunately, the episode is in the rearview mirror.

From the Forum

Week in Regulation by Sam Batkins, AAF Director of Regulatory Policy

Weekly Checkup: Deductibles Rising Among Benchmark Plans by Conor Ryan, AAF Health Care Data Analyst