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The Financial CHOICE Act; Legislative Text Revealed

By Daniel F. C. Crowley, Bruce J. Heiman, William A. Kirk, Karishma Shah Page, Mark A. Roszak, and Eric A. Love

On June 23, 2016, House Financial Services Committee Chairman Jeb Hensarling (R-TX) released as a [“discussion draft”](#) legislative text of the Financial CHOICE Act (“FCA”), a proposal to reform the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”).

Importantly, the FCA is more than just another Dodd-Frank reform proposal; it is the culmination of several years of House Financial Services Committee activity. Many of its provisions enjoy bipartisan support at a time when Brexit focuses attention on global financial regulatory reform. Therefore, we anticipate that the bill is likely to be marked up before the election, and it could be a road map for post-election reform. In addition, some of its provisions could be enacted in year-end omnibus legislation.

It is important to remember that Dodd-Frank revisited every major federal financial services law from the National Bank Act (1864) through the Sarbanes-Oxley Act (2002) within a short 14-month period. There has been bipartisan acknowledgement on the need for revisions to Dodd-Frank, including from the landmark law’s primary authors, Senator Chris Dodd (D-CT) and Congressman Barney Frank (D-MA).

The discussion draft was issued together with a [comprehensive outline](#) and a [press release](#), which notably includes key endorsements by former Treasury Secretaries, economic policy officials, and Noble Prize-winning economists. The discussion draft comes after Chairman Hensarling’s release of increasingly more detailed summaries earlier in the month. (See K&L Gates Alerts: [The Financial CHOICE Act; Dodd-Frank Reform \(Not Repeal\)](#) and [Details Emerge about the Financial CHOICE Act](#)).

The House Financial Services Committee has requested that comments be submitted in writing by 5:00 p.m. on July 15, 2016.

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