

Business law ii

Law



Business Law II: Consumers Protection Acts Business Law II: Consumers Protection Acts The Dodd-Frank Wall Street and Consumer Protection Act of 2010 will obviously give the society and consumers better banking services. Regardless of the criticisms of the consumers' protection attorneys, the retained amounts by banks on loans will help in reducing the credit risks to the banks and other financial institutions (Berson and Berson, 2012). Additionally, on the other hand, in any case that the lending institutions that will fail will never place their consumers at any risk of losing their money, but such risks will be transferred to Wall Street, the institution that have been mandated to oversight on the viability and functions of the financial institutions. In other words, if any financial institution fails, not the customers and taxpayers will bear the cost of such failed financial institutions but Wall Street.

Additionally, bad debts will be dropped since banks among other financial institutions will be restrained from incurring unforeseen financial risks. This means that nearly all borrowers will be evaluated thoroughly to minimize obvious defaults. Notably, the Dodd-Frank Wall Street and Consumer Protection Act of 2010 works with the Consumer Financial Protection Bureau (CFPB) that ensures that financial institutions have high financial standards that they uphold at all time of their operations (Berson and Berson, 2012). It is also worth noting that the retained percentage will also minimize the losses incurred by financial institutions in case of defaulters. The Dodd-Frank Wall Street and Consumer Protection Act of 2010 and its components seems not to be favoring financial institution since it does not provide bail out for financial institutions during rough economy, rather, the government will shut down them down as they will be considered as failed institutions.

" Wall Street?" Who owns all those securities? Additionally, do think that the 5% rule is that much different from the previous 0% rule? Will it have the affects you describe?

The Wall Street reform or the Dodd-Frank Wall Street Reform and Consumer Protection Act are regulations the oversights the financial market.

All the securities of a loan are owned by the bank

There are no great difference in the 5% rules compared to 0% rule; however, it has effect on the principle amount in that the principle amount will ever be less by 5%.

Reference

Top of Form

Berson, S. A., & Berson, D. (2012). The Dodd-Frank Wall Street Reform and Consumer Protection Act: From legislation to implementation to litigation. Chicago: American Bar Association.

Bottom of Form