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## Obama Administration Issues Regulatory Reform Proposal

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After months of consultation with the President's Working Group on Financial Markets, members of Congress and a range of constituent groups, the Obama Administration last month issued an ambitious proposal that, if adopted, would result in a significant restructuring of the United States financial regulatory system. While many aspects of the proposal are not surprising, it is still ambiguous in many respects.

The proposal, which would create four new federal entities—a Financial Services Oversight Council, a Consumer Financial Protection Agency (for more information on the CFPA, click [here](#) to read WilmerHale's July 1 Email Alert), a National Bank Supervisor and an Office of National Insurance—is designed to meet five main objectives:

- promoting robust supervision and regulation of financial firms;
- establishing comprehensive supervision and regulation of all financial markets;
- protecting consumers and investors from financial abuse;
- improving tools for managing financial crises; and
- raising international regulatory standards and improving international cooperation.

The proposal would give sweeping new powers to the Federal Reserve and proposes comprehensive new regulation of over-the-counter (OTC) derivatives and hedge funds. However, it does not address such issues as a proposed merger between the Securities and Exchange Commission and the Commodity Futures Trading Commission, or the creation of an optional federal charter for insurance companies, possibly the result of prior negotiation with members of congress over likelihood of passage.

To read the full text of a recent WilmerHale Email Alert on this subject, click [here](#).

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