

Brown-Vitter Bill

April 30, 2013 | Client Update

The bill announced by Senators Sherrod Brown (D-Ohio) and David Vitter (R-La.) is the latest volley in the ongoing debate about whether financial reform has gone far enough in ending the risk that some banks are too big to fail. Although it is highly unlikely that the Brown-Vitter bill, in its current form, will become law, its erroneous assumptions and assertions, as well as the policy measures proposed by the bill, could resurface, either in other bills or as pressure on regulators to transform the financial regulatory landscape.

This commentary on the Brown-Vitter bill consists of a policy discussion of the bill in Part I and an analysis of the bill's key provisions in Part II. Part II also includes a visual overview of capital requirements in the Brown-Vitter bill and a chart comparing the bill's equity capital ratio with the U.S. leverage ratio and the proposed Basel III supplementary leverage ratio.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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