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## Trump Says Administration Will 'Be Doing a Big Number' on Dodd-Frank

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January 30, 2017

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Speaking from the White House on Monday morning, the president took aim at the Dodd-Frank Wall Street Reform and Consumer Protection Act, which became law in 2010 to increase regulation of the financial industry in response to the Great Recession. "Dodd-Frank is a disaster. We're going to be doing a big number on Dodd-Frank," Trump said. He subsequently signed an executive order to "dramatically reduce" federal regulations.

"We'll be reducing them big league, and their damaging effects on our small businesses, our economy, our entrepreneurial spirit," he said. "The American dream is back."

The executive order seeks to reduce the regulatory burden on small and large businesses by eliminating two orders for every one new regulation.

Trump was critical of Dodd-Frank on the campaign trail and following his election released a statement stating his team would be working to dismantle the legislation and replace it with "new policies to encourage economic growth and job creation."

On Monday, Trump reiterated the promise that he will seek to cut regulations by 75%.

"We don't need 97 different rules to take care of one element," he said.

There was little effect on markets that are still lower following Trump's executive orders last week on immigration. The **Dow, S&P 500** and **Nasdaq** were all down about 1% in mid-morning trading on Monday, the worst day for the U.S. stock market so far in 2017.

Steven Mnuchin, Trump's nominee for Treasury Secretary who is yet to be confirmed by the Senate, has criticized Dodd-Frank as well but also expressed support for some aspects of it.

In an interview with *CNBC's "Squawk Box"* in November, he said, "The No. 1 problem with Dodd-Frank is it's way too complicated and it cuts back lending, so we want to strip back parts of Dodd-Frank that prevent banks from lending, and that will be the No. 1 priority on the regulatory side," he said. "The No. 1 priority is going to be make sure that banks lend."

In his confirmation hearing before Senate Finance Committee, the former **Goldman Sachs (GS)** executive said he supports the Volcker Rule, which prohibits proprietary trading by the largest U.S. banks.

"I do support the Volcker Rule," Mnuchin said. "I think the concept of proprietary trading does not belong mixed with [Federal Deposit Insurance Corp.] insurance."

While Trump, through enforcement and appointments, can have some effect on financial regulation, rolling back Dodd-Frank would require Congressional involvement.

House Financial Services Committee Chairman Jeb Hensarling has put forth a more-than-500-page bill dubbed the Financial CHOICE Act to dismantle Dodd-Frank. If it does make it through the House and the Senate -- which is not guaranteed -- it probably wouldn't wind up on Trump's desk until 2018.

"Anybody who's hoping or fearing that we're going to deregulate the banking and finance industry is going to be quite surprised," said Mark Calabria, director of financial regulation studies at libertarian think tank the Cato Institute and a former staffer at the Senate Banking Committee, in a recent interview with *TheStreet*.

A White House spokeswoman did not immediately return a request for comment on Trump's plans for Dodd-Frank.