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Dodd Financial Bill Creates ACORN for Risky Credit Applicants

Section 1013 creates community groups targeting risky creditors

Nearly every page of Senator Dodd's 1400 page financial regulation bill, *the Restoring American Financial Stability Act of 2010*, aims to increase the scope of government. This long and complex legislation proposes new agencies, new divisions within old agencies, and a slew of other ways to expand the government's reach

One overlooked portion of the financial regulation bill is Section. 1013. Contained within Section 1013 ((b)(2)), on page 1213, is a segment titled Community Affairs. In 33 words, Senator Dodd's bill looks to replicate ACORN's practices:

"The Director shall establish a unit whose functions shall include providing information, guidance, and technical assistance regarding the offering and provision of consumer financial products or services to traditionally underserved consumers and communities."

ACORN, on its website, describes itself using similar language:

"ACORN is the nation's largest grassroots community organization of low- and moderate-income people... ACORN has been building community organizations that are committed to social and economic justice, and won victories on thousands of issues of concern to our members, through direct action, negotiation, legislative advocacy and voter participation."

Although ACORN's website uses more obvious language, the goals of both the would-be Community Affairs department and ACORN are the same: force the government to provide loans to people who otherwise wouldn't qualify for it. While it is impossible to be certain about the exact implications of Section 1013, its ambiguity should be cause for concern.

The genesis behind the current economic downturn is consumers defaulting on real estate loans, a nearly universally accepted fact. Senator Dodd's bill mimics this precarious practice by instituting a Community Affairs department. Though the goal, increased homeownership, of such programs is noble, such policies will only lead to another housing bubble, and burst.

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