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Top Financial Votes: 2008-2010

By Richard G. Thomas
Editor, Voterama in Congress

With economic concerns driving the debate in this fall's House and Senate campaigns, many voters are taking a close look at what congressional incumbents have or have not done to ease their financial pain. In turn, lawmakers have laid out a detailed record by which they are to be judged.

Now in its closing months, the 111th Congress is the busiest one in eight decades in changing the U.S financial system on both regulatory and household levels. Nobody is confusing it with the 73rd Congress of 1933-1935, which enacted 15 major economic laws in its first 100 days, or with other New Deal Congresses. Nor do analysts rank the Great Recession of 2007-2009 (and its continuing hangover) anywhere near the Great Depression in terms of devastating effects on families, farms, businesses and the national psyche.

But today's Congress, controlled by Democrats, has been operating from the same general playbook as its 1930s predecessors in applying — or attempting to apply — stimulus, regulatory and safety-net measures to spur recovery from chaos. Bailouts begun in the 110th Congress under President George W. Bush also are among its remedies.

Whether the new measures add up to a sound or misguided policy for restoring prosperity has been at the heart of U.S. political debate for the past two years — with Republicans accusing congressional Democrats and President Barack Obama of pursuing a debt-laden, broadly unpopular government takeover of private institutions, and Democrats defending their actions as essential to salvage an economy left in shambles by an anti-regulation, war-obsessed, deficit-spending GOP administration.

Minority Whip Eric Cantor, R-Va., and Majority Leader Steny Hoyer, D-Md., exchanged core arguments on the House floor last April:

"The American people," Cantor said, "are waiting for this body to... stop the spending, which brings on the need for yet even more debt, which ultimately will lead to higher taxes... The public sees Washington spending money in unprecedented ways and having to borrow to pay for that. And, ultimately, people understand that it is about raising their taxes, reducing their take-home pay in order to pay for that."

Hoyer responded that the Bush administration had left behind "a deep, deep, deep hole that we have been trying to dig out, without much help, frankly, from your side of the aisle... Just as when (Franklin D.) Roosevelt inherited from the (Herbert) Hoover administration a very substantial downturn, it took him time to turn that economy around."

This report spotlights 28 major House and Senate economic votes over the past two years, starting with congressional passage in October 2008 of a $700 billion Wall Street bailout — the Troubled Assets Relief Program (TARP)— requested by President Bush after the fall of Lehman Brothers on Sept. 15. The bill drew support from 46 percent of House Republicans, 65 percent of Senate Republicans, 73 percent of House Democrats and 80 percent of Senate Democrats. Since that display of bi-partisanship, nearly all votes to pass financial bills have been essentially along party lines.

The 111th Congress has enacted two financial mega-bills, one aimed at recovery and the other at prevention. They are a $787 billion spending and tax-cut stimulus intended to jump-start economic growth, and a sweeping regulation measure, named Dodd-Frank after its authors, designed to reduce the chances of another Wall Street meltdown.

On the household level, Congress has enacted measures to impose pro-consumer rules on credit-card firms; slow the rate of home foreclosures; provide as many as 99 weeks of unemployment checks; establish a Consumer Financial Protection Agency; outlaw many types of easy-credit home mortgages; limit debit-card fees, and raise the cap on federal deposit insurance from $100,000 to $250,000 per depositor. The last four measures were included in the Dodd-Frank law. The crackdown on credit-card firms was in the works before September 2008.

Additionally, the 110th Congress, in the closing months of the Bush administration, enacted TARP but shelved a Democratic bill to provide General Motors and Chrysler with $14 billion in emergency loans. Bush then released $17.4 billion in TARP loans to keep the automakers afloat. The Obama administration renewed the lifeline in a way that gave taxpayers temporary ownership of GM and Chrysler and required the firms to drastically restructure their operations.

Here are summaries of the 28 issues covered in this report:

In the House

1. Wall Street Bailout Members on Oct. 3, 2008, passed, 263-171, a bailout in which the Treasury established a $700 billion Troubled Asset Relief Program (TARP) to relieve failing financial firms — mainly Wall Street investment banks and the insurance firm AIG — of their weakest assets while temporarily raising deposit insurance to $250,000 per depositor and providing $150 billion in tax breaks. A yes vote was to pass HR 1424.

2. Detroit Rescue Plan Members on Dec. 10, 2008, voted, 237-170, to provide General Motors and Chrysler with $14 billion in loans to keep them solvent through March 2009. In return, all three Detroit-based auto firms would have to restructure their operations under federal direction. A yes vote was to pass HR 7321.

In the Senate

1. Wall Street Bailout Senators on Oct. 1, 2008, passed, 74-25, a bill authorizing the Treasury to spend up to $700 billion to bail out troubled financial firms, mainly ones on Wall Street, in hopes of halting what was an ongoing collapse of the U.S. economy. A yes vote backed HR 1424, which also enabled the Treasury to limit executive pay at bailed-out firms.

2. Detroit Rescue Plan Senators on Dec. 11, 2008, failed, 52-35, to reach 60 votes needed to end Republican blockage of a Democratic bill designed to prevent the collapse of General Motors and Chrysler while requiring all three Detroit-based auto firms to adopt restructuring plans. A yes vote was to advance HR 7005.

In the House

3. TARP Disapproval Members on Jan. 22, 2009, voted, 270-155, to block the Obama administration from disbursing the remaining half of the $700 billion Troubled Assets Relief Program. The first $350 billion had been spent by the Bush administration. The vote was only symbolic because the Senate refused to go along. A yes vote backed the resolution of disapproval (HJ Res 3).

4. $787 Billion Stimulus Voting 246-183, the House on Feb. 13, 2009, gave its final approval to a $787 billion stimulus package that used a mix of two-thirds direct spending and one-third tax relief for the purpose of creating or saving at least 3.5 million jobs by fiscal 2011. A yes vote was to enact the economic stimulus (HR 1).

5. Republican Stimulus Members on Jan. 28, 2009, defeated, 170-266, a GOP alternative to HR 1 (above) that proposed a stimulus consisting almost totally of wide-ranging business tax cuts, personal tax cuts for all brackets and extended jobless benefits. A yes vote backed the Republicans' stimulus plan.

6. Bankruptcy, Mortgages Voting 234-191, members on March 5, 2009, passed a bill to allow bankruptcy courts to rewrite loans on primary homes in Chapter 13 actions if borrowers had exhausted other options. A yes vote was to pass a bill that also permanently raised FDIC insurance to $250,000 per depositor. (HR 1106)

7. Executive Pay Limits Voting 247-171, members on April 1, 2009, passed a bill to limit executive compensation at certain firms receiving bailouts under the Troubled Assets Relief Program. The bill exempted community banks and repealed authority in the 2009 stimulus law for bonuses at the insurance firm AIG. A yes vote was to pass HR 1664.

8. Predatory Lending Voting 300-114, members on May 7, 2009, passed a bill to outlaw an array of lending practices linked to the U.S. housing meltdown that would require lenders to keep a stake in loans they sell, assign liability to those who convert mortgages into securities and bar loans to unqualified applicants. A yes vote was to pass HR 1728.

In the Senate

3. $787 Billion Stimulus Voting 60-39, senators on Feb. 13, 2009, sent President Obama the conference report on a $787 billion mix of tax cuts and federal spending designed to create or save at least 3.5 million jobs by fiscal 2011. A yes vote was to give final congressional approval to the economic stimulus.

4. Republican Tax Cuts Senators on Feb. 5, 2009, defeated, 40-57, the main GOP alternative to the Democrats' stimulus bill (HR 1, above). Up to two-thirds of the $420 billion plan consisted of a waiver of all payroll taxes and tax cuts for corporations and the lowest personal income-tax brackets. A yes vote backed the GOP stimulus plan.

5. Credit-Card Regulations Voting 90-5, the Senate on May 19, 2009, passed a bill imposing a range of pro-consumer rules on credit-card firms. A yes vote backed a bill (HR 627) that, in part, required cards to apply payments to one's highest-interest balance and bills to be mailed 21 days ahead of the minimum-balance due date.

6. Credit-Card Interest Cap Senators on May 13, 2009, refused, 33-60, to put a statutory cap on credit-card interest rates. A yes vote was to adopt an amendment to HR 627 (above) imposing the same 15 percent nationwide usury limit that applies to lending by credit unions.

7. Troubled Asset Relief Program Senators on Jan. 21, 2010, failed, 53-45, to reach 60 votes needed to adopt a measure ending the Troubled Assets Relief Program, which the Bush administration started to halt economic collapse. A yes vote was to allocate TARP's remaining $320 billion to reducing U.S. debt. (HJ Res 45)

8. Financial Regulation Senators on July 15, 2010, approved, 60-39, the conference report on a bill to regulate the financial industry in ways designed to improve the odds against further U.S. economic meltdowns. A yes vote was to send the bill (S 3217; HR 4173) to President Obama.

9. Consumer Protection Agency Senators on May 6, 2010, defeated, 38-61, a GOP alternative to the Democrats' proposed Consumer Financial Protection Bureau in S 3217 (above). A yes vote backed a GOP

In the House

9. Credit-Card Regulations Members on May 20, 2009, voted, 361-64, to impose new rules on credit cards that were to take effect by February 2010. A yes vote was to send President Obama a bill (HR 627) that, in part, required 45 days' notice of rate hikes and banned arbitrary contract changes.

10. Republican Study Request Members on April 30, 2009, defeated, 164-263, a bid supported mainly by Republicans to delay the effective date of HR 627 (above) until the Federal Reserve conducted a study and certified the bill would not reduce credit flows to small businesses. A yes vote was to adopt the GOP motion.

11. Financial Regulation Members on June 30, 2010, approved, 237-192, the conference report on a bill to regulate the financial industry in ways designed to reduce the chances of further U.S. economic meltdowns. A yes vote was to pass a bill (HR 4173) that Republicans criticized as regulatory excess.

12. Credit-Rating Firms Members on Dec. 10, 2009, refused, 172-257, to strip HR 4173 (above) of its provision giving investors more standing to sue firms such as Moody's and Standard and Poor's for recklessly flawed ratings of financial instruments. A yes vote opposed the new standing to file lawsuits.

13. Consumer Protection Agency Members on Dec. 11, 2009, defeated, 208-223, a bid to strip HR 4173 (above) of its proposed Consumer Financial Protection Agency. A yes vote backed an amendment that sought, instead, to establish a council of existing regulators to protect consumer interests.

14. Small-Business Credit Members on June 17, 2010, authorized, 241-182, the Treasury to lend $30 billion to community banks to leverage up to $300 billion in new credit for small businesses. As collateral, the government would receive preferred bank stock redeemable within ten years. A yes vote was to pass HR 5297.

In the Senate

bid for a less powerful consumer unit whose actions could be vetoed in advance by bank regulators.

10. Bank Breakups Senators on May 6, 2010, refused, 33-61, to break up large financial institutions on the rationale that "too big to fail" is simply too big. A yes vote was to cap a bank's deposits at 10 percent of the U.S. total of insured deposits and liabilities at 2 percent of the gross domestic product. (S 3217, above)

11. Debit-Card Fees Senators on May 13, 2010, voted, 64-33, to start Federal Reserve regulation of the fees that firms such as Visa and MasterCard charge retailers for debit-card transactions. A yes vote backed an amendment to S 3217 (above) requiring the fees to be proportional to the bank's processing costs.

12. New Mortgage Rules Senators on May 12, 2010, adopted, 63-36, tough standards for home mortgages under the Truth-in-Lending Act. A yes vote was to outlaw no-documentation "liar loans" and other easy-credit mortgages that led to massive foreclosures in the sub-prime housing meltdown. (S 3217, above)

13. Credit-Card Interest Senators on May 19, 2010, refused, 35-60, to give states the option to set interest-rate caps on their residents' credit cards. This was to replace the existing system in which cards answer only to the weak usury laws of their headquarters state. A yes vote backed state-by-state caps. (S 3217, above)

14. Small-Business Credit Senators on Sept. 16, 2010, approved, 61-38, $30 billion in secured Treasury lending to community banks in order to leverage up to $300 billion in private credit for small businesses. The deficit-neutral bill also provided $12 billion in small-business tax breaks. A yes vote was to send HR 5297 to the House.

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