



To: EFTA Members

From: Dennis Ambach, Legislative & Regulatory Council Chairman

Date: September 17, 2010

Re: Legislative & Regulatory Update

**Bureau of Consumer Financial Protection**

President Obama today named Elizabeth Warren as a special assistant to oversee the creation of the Bureau of Consumer Financial Protection (BCFP). Warren will also report to Treasury Secretary Tim Geithner. Her official statement on the appointment is linked here (<http://www.whitehouse.gov/blog/2010/09/17/fighting-protect-consumers>).

The Wall Street Reform Act (signed into law this July) calls for Senate confirmation of the BCFP Director. The law also states the Treasury Secretary will act as the head of the BCFP for up to six months. Since Congress is expected to adjourn in the coming weeks and Senate Banking Committee Chairman Chris Dodd (D-CT) has offered less than enthusiastic support for Warren as director, this special appoint appears to be a compromise solution. Warren remains a candidate to become the full-time, confirmed director. The new Congress in 2011 may best handle that decision. Regardless, Warren has a prominent, influential seat at the table in the months ahead as the BCFP gets created.

**Small Business and IRS Reporting**

The Senate passed a package of small business incentives this week and now goes back to the House for concurrence. Some Senators attempted to offer an amendment to repeal a provision included in the healthcare law that requires businesses to file 1099 forms with the Internal Revenue Service (IRS) any time they spend more than \$600 a year with another business for goods and services. This requirement begins in 2012. Amendments to repeal or delay the provision failed to gain the necessary 60 votes to even be brought to the Floor for a vote. Even though this attempt failed, we should expect similar efforts to repeal or amend the reporting requirement in this year's lame duck session or in the new Congress. The IRS has suggested the reporting provision will present significant challenges to administer.