“For too long New Mexicans have been harmed by the irresponsible actions of Wall Street,” said Rep. Luján. “Under the Bush Administration, this lack of accountability led to a bailout of Wall Street and a near collapse of our financial system. Today, we are taking important steps to reform our system and hold Wall Street accountable. It’s time to fix the problems that got us here and protect taxpayers.”

Rep. Luján voted to reform Wall Street by ending predatory lending practices, preventing costly taxpayer bailouts, creating tough new rules on the riskiest financial practices, and improving oversight and enforcement. The legislation was signed into law in July 2010.

“I voted against the bailout in January, and I’ve fought to make sure that consumers are protected from the irresponsibility of Wall Street and predatory lenders,” said Rep. Luján. “I was a strong supporter of credit card and mortgage reform . And now with the Wall Street Reform and Consumer Protection Act, we are one step closer to making sure that we fix the problems behind our current economic crisis and put New Mexico families first.”

The Wall Street Reform bill:

- Creates a new independent consumer protection watchdog to ensure that consumers purchasing mortgages and using credit cards get accurate information. It also will protect consumers from hidden fees and terms as well as abusive practices.
- Helps ends too-big-to-fail bailouts by establishing an orderly process for winding down failed banks and financial firms, preventing too-big-to-fail banks from being created and extending rigorous oversight of the activities of more financial firms.

- Improves transparency and accountability by providing new rules for credit rating agencies, eliminating loopholes used to hide abusive practices, and preventing hidden risky transactions associated with dangerous financial products.

The legislation also accomplishes the goals of the Luján Amendment to the House bill by preventing banks from merging with nonbank entities to become a too-big-to-fail company. Under current law, a bank cannot merge with another bank if the combined deposits equal or exceed 10 percent of all US deposits. There is currently a loophole that allows a bank to buy a nonbank entity, such as a thrift, and exceed this threshold. For example, Bank of America's purchase of Countrywide Mortgage in 2008 exploited this loophole to become the largest bank holding company in the country.

Rep. Luján's amendment, which was originally added to the House legislation in the manager's amendment, would close this loophole and prevent banks from merging with thrifts if the combined deposits equal or exceed 10 percent of all US deposits. This ensures that no bank can grow beyond 10 percent of all US deposits through a merger, preventing the creation of “too big to fail” entities that could threaten the stability of the financial system.