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Dodd-Frank Act: reform of regulatory bodies

The Dodd-Frank Act (DFA) created several new regulatory agencies, shifted responsibilities among many existing agencies and eliminated the Office of Thrift Supervision. As a result, many financial institutions will be regulated by new regulators and the related, presumably more stringent, regulations

The Financial Stability Oversight Council (FSOC) is one of the newly created regulators is the FSOC, composed of 15 council members from various regulating agencies, which reflects the desire to enhance the oversight of the financial system as a whole and to guard against the kinds of systemic risks of the recent crisis . The FSOC acts through another newly created agency, the OFR, to gather the necessary information and perform analysis to monitor risks in firms and markets.

The Office of Thrift Supervision (OTS) is eliminated and thrifts will be regulated by other banking agencies. This is because the OTS is being held responsible for several large bank failures such as Countrywide, Indymac and WaMu during the financial crisis.

The thrifts will be regulated by the Federal Reserve, OCC or FDIC depending on their charter as follows:

Charter	New regulator
Thrift holding companies	Federal Reserve
Federal thrifts	OCC
State thrifts	FDIC

Timeline

FSOC / OFR	Although there are no specific deadlines for the OFR with respect to its information gathering requirements, most of the rules regarding the oversight of systemically important financial institutions under the DFA must be in place by December 2011
Office of Thrift Supervision Transition	Transfer of power from the OTC to the FRB, OCC and FDIC must occur by July 2011 (may be extended to December 2011)