



News & Views / March 2017

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In this issue: What is Dodd-Frank, TD Ameritrade lowers trade charges, PFPG charitable giving, more scams

What is Dodd-Frank?

The Dodd-Frank Act, named for Congressional co-sponsors Chris Dodd and Barney Frank, was formulated in the aftermath of 2008's Lehman Brothers collapse and the ensuing Great Recession. This expansive federal law increased regulation of the financial sector with the goal of reducing the likelihood of similar crises in the future, and to protect consumers from harmful lending practices.

Given the expressed desire of the new President and Republican Congress to roll back financial regulations, among other government controls, we take a moment here to refresh your memory of what all the fuss was about. Notable provisions of Dodd-Frank include the following:

BANKING: Dodd-Frank empowers the Federal Reserve to step in if any particular bank gets too big, thereby posing a systemic risk to the financial system (think Lehman Brothers or Merrill Lynch or Washington Mutual). Such a bank may be ordered to increase its capital reserves, and all banks must put plans in place for a quick and orderly transition in the case of their insolvency.

INSURANCE: A new Federal Insurance Office was created within the Treasury Department to enhance regulation of insurance companies that pose special financial risks for the economic system. The FIO also promotes affordability of insurance within minority communities.

CREDIT RATINGS: Dodd-Frank created an SEC Office of Credit Rating in order to better supervise credit rating agencies (e.g., Moody's), whose misleading reports on mortgage-based securities contributed to the crisis.

CONSUMER PROTECTION: To the average person, the [Consumer Financial Protection Bureau](#) is perhaps Dodd-Frank's most visible product. CPFB limits risky and abusive bank lending practices, requires lenders to provide more transparent information on mortgages and credit scores, and offers a 24 hour toll free consumer hotline to report problems with financial services. The law has a "whistle blower" provision to help curb insider trading and other corrupt behavior.

The Dodd-Frank Act has generated controversy ever since its adoption. Opponents argue that the Act inhibits overall economic growth while supporters see it as valuable protection for consumers and the stability of our economic system. Regardless of which side you support, we are all affected in some real way by Dodd-Frank. As the political situation evolves, we plan to keep clients informed of any material developments that alter the law's reach into our financial lives. Stay tuned!

TD Ameritrade lowers trade charges

Effective March 6, TD Ameritrade lowered its commission fee for online equity (stock) and ETF (exchange-traded funds) trades from \$9.99 to \$6.95 per trade. The reduction is effective both for clients of registered investment advisors like PFPG and for retail investors.

This reflects a recent trend among custodians to cut online trading costs to vie for customers in a highly competitive market. TD Ameritrade follows Schwab and Fidelity, both of which lowered their fees after Vanguard cut expense ratios for numerous funds and ETFs.

PFPG charitable giving

Each year PFPG chooses several organizations to be part of its charitable giving program. As a member of the Maine business community for almost 19 years, we believe it's important to support Maine-based nonprofits. For 2016, we selected six organizations: [Community Financial Literacy](#), whose mission is to empower refugee and immigrant communities in Maine by providing them with financial literacy skills; the [NAPFA Consumer Education Foundation](#), which empowers consumers to achieve positive financial outcomes and supports fee-only advisors providing pro-bono financial guidance; [My Place Teen Center](#), a year-round free after-school program for youth ages 10 - 18, providing academic enrichment and meals to all youth and specializing in those most at risk; the [Animal Refuge League of Greater Portland](#), which provides shelter and home placement for stray and abandoned animals and promotes education about humane treatment and animal overpopulation; the [Immigrant Legal Advocacy Project \(ILAP\)](#), which provides free and low-cost immigration information and legal assistance to low-income Maine residents; and [Preble Street](#), providing accessible barrier-free services to empower people experiencing problems with homelessness, housing, hunger, and poverty and to advocate for solutions to those problems.

More scams

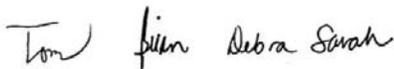
By now you're certainly aware that phone scammers are legion, and that you should never provide sensitive personal information to anyone over the phone. The Social Security Administration has alerted citizens to be leery of calls purporting to be from the SSA's Office of the Inspector General. The call directs you to call a non-SSA number to resolve some issue with your account. (The OIG may call people for a legitimate purpose, but will never request sensitive information by phone.)

If you have questions about *any* communication—email, letter, text or phone call—that claims to be from SSA or the OIG, please contact your local Social Security office, or call Social Security's toll-free customer service number at 1-800-772-1213, 7 a.m. to 7 p.m., Monday through Friday, to verify its legitimacy. (Those who are deaf or hard-of-hearing can call Social Security's TTY number at 1-800-325-0778.)

If you receive any unsolicited communications from the IRS – and they are rampant around tax time – check www.irs.gov/uac/report-phishing to find out what you should do to verify their authenticity. Remember that the IRS doesn't **initiate** contact with taxpayers by email, text messages or social media channels to request personal or financial information.

As long as we're on the subject, have you 1.) changed your passwords recently, and 2.) frozen your credit reports to protect against identity theft? If not, "just do it!"

Welcome to spring,



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