***Dodd Unveils Sweeping Financial Overhaul Plan*, National Public Radio, All Things Considered, November 10, 2009 8:00 PM ET.**

MICHELE NORRIS, host:

Today, we are seeing another road map for financial reform. This one is a proposal from Senator Christopher Dodd, chairman of the Senate Banking Committee. It's a more ambitious plan than the package proposed by the Obama administration and the bill in the House. And in this latest legislation, the big loser would be the Federal Reserve.

NPR's John Ydstie explains.

JOHN YDSTIE: Chairman Dodd was the last to present a reform proposal, but his is also the most sweeping effort to address the regulatory failings that contributed to the financial crisis. Most importantly, he would consolidate the power of all four of the current federal bank regulators into one super regulator, the Financial Institutions Regulatory Administration.

Senator CHRISTOPHER DODD (Chairman, Senate Banking Committee): Our proposal will replace the myriad government agencies that failed - in my view - to rein in the risky schemes, with a single, accountable federal banking regulator.

YDSTIE: In doing this, Dodd would strip the Federal Reserve and the FDIC of their power to regulate banks and completely eliminate other bank regulators: the Controller of the Currency and the Office of Thrift Supervision that regulates savings and loans. That goes much further than the Obama administration's proposal and the bill developed by the House Banking Committee. They only eliminate the Office of Thrift Supervision.

Dodd's bill, which has the support of Democratic members of the Senate Banking Committee, would also go beyond the administration and the House by creating another brand new institution. It would monitor and identify risks to the whole financial system posed by large institutions and complex financial products. The new agency for financial stability would also take power that the administration and House plans give to the Federal Reserve. Dodd maintains he isn't punishing the Fed.

Sen. DODD: Well, I don't see it that way. There's nothing punitive in this bill. I know that people think that. I really want the Federal Reserve to get back to its core enterprises.

YDSTIE: Like conducting monetary policy and being lender of last resort. Scott Talbot, head lobbyist for the Financial Services Roundtable, says the big financial institutions that he represents support the new systemic risk regulator that Dodd proposes. He says the industry is agnostic on the question of a single bank regulator or multiple regulators. There are pluses and minuses to both, he says. But the industry continues to oppose another feature of Dodd's package: a new consumer financial protection agency that would be a watch dog over financial products, from credit cards to mortgages.

Mr. SCOTT TALBOT (Head Lobbyist, Financial Services Roundtable): We're against creating a separate agency to protect consumers. We think you can protect consumers a more effective way by strengthening the existing regulators, rather than creating a separate agency.

YDSTIE: Asked about the political hurdles he faces in passing such an ambitious bill, Dodd said this is not a time for timidity. While the Dodd proposal differs in significant ways from it's plan, the Obama administration reacted positively to the chairman's package. Deputy Treasury Secretary Michael Barr said Dodd has proposed a tough bill.

Mr. MICHAEL BARR (Deputy Secretary, Department of Treasury): I think that we're in a strong position substantively and politically to get financial reform done.

YDSTIE: But it's not clear that any of the current reform bills can get the Republican support needed to clear the Senate.

John Ydstie, NPR News, Washington.