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Regulatory Policy

**House Rules Committee Rejects
Bipartisan Bid to Revive Glass-Steagall**

The House Rules Committee today rejected a bipartisan proposal to revive the Glass-Steagall Act, a 1930s law that separated commercial and investment banking.

The measure, offered by Reps. Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.), would have amended the Financial Choice Act (H.R. 10), Rep. Jeb Hensarling's (R-Texas) wide-ranging bill to replace the Dodd-Frank Act, scheduled to be taken up on the House floor June 8.

The Kaptur and Jones amendment would have stricken the Choice Act and replaced it with a revived Glass-Steagall—introduced by the lawmakers earlier this year as a standalone bill (H.R. 790).

Kaptur told the Rules Committee that the 1999 repeal of Glass Steagall caused a “severe tilt away from prudent banking” that contributed to the 2008 financial crisis.

The amendment was viewed as a long shot, given House GOP support for the Choice Act, which would revamp much of Dodd-Frank and offer banks that meet heightened capital standards an off-ramp from regulation.

Jones and Rep. Mike Coffman (Colo.) were the only Republican cosponsors, joining Kaptur and 46 other Democrats.

BY SHIRA STEIN

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