

TO: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov) Tuesday, August 28, 2012

**SUBJECT:** Federal Reserve Comments: Docket No. R-1432 and RIN 7100 AD82

I am Shirley Schlichter, and here is how my family and I were affected by the financial crisis. We lost money that we had invested into Stocks for our retirement. My husband and I were both previously married to spouses who were alcoholic. Neither of us could save money for retirement in those marriages. My husband-now previous wife died. I divorced my previous husband. Together we saved money, invested it in stocks, bought a home, finally. We lost our money, as I said, and found our loan was going to go up in payments and interest. We thought we could get a better loan when a little time had past, as always before, the home appreciates. We were stuck with the predator-type loan. We never gave up but, instead, sought for a better loan with bank after bank. We got another loan! We had been told previously for the first loan that "there weren't any other type loans out there at this time!" Later, we learned what all happened to bring this mess into all of our lives and were heartsick and angry to find out what had been done to us and other countrymen across our nation! I never again want to be called on to bail out big corporations and Wall Street banks for irresponsible "heads I win, tails you lose" gambles. This was totally irresponsible and disrespectful! What a terrible example of American business for the whole world to see!

Effective oversight of the \$700 trillion global derivatives market is a key to meaningful reform. Because this market is inherently global, risks can be transferred around the world with the touch of a button. The proposed guidance you have issued on cross-border application of Dodd-Frank derivatives rules shows that you understand the importance of this issue. But the proposal contains multiple loopholes that could allow foreign affiliates of Wall Street banks to escape regulation. Big U.S. banks and other major U.S. derivatives users are global corporations with hundreds if not thousands of foreign affiliates. **If we don't regulate them everywhere, we can't regulate them anywhere.** Please make this guidance stronger to ensure that new Dodd-Frank derivatives protections will directly apply to the full global activities of all important participants in the U.S. derivatives markets.

The losses revealed at JP Morgan Chase show our largest banks will continue to take the same kind of risks that led us to the financial crisis unless they are restrained by effective new rules. I urge you to implement a strong Volcker Rule to establish the kind of firewall that Congress mandated between market speculation and basic banking services. That's the same principle that informed the Glass-Steagall rules that served our economy well from the 1930s to the 1990s. We need to make the same principles work today.

Please write a final rule that keeps the best elements of your proposed rule, but eliminates loopholes that would permit banks to evade the purpose of the law. A strong Volcker Rule should never permit the kind of massive speculative bets that JP Morgan took to be disguised as 'hedging'.

Thank you,