Dodd-Frank Act

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The **Dodd-Frank Act** (**Dodd-Frank Wall Street Reform and Consumer Protection Act**) is a United States federal law that places regulation of the financial industry in the hands of the government. The legislation, which was enacted in July 2010, created financial regulatory processes to limit risk by enforcing transparency and accountability.

Because the Great Recession of the late 2000s was due in part to low regulation and high reliance on large banks, one of the main goals of the **Dodd-Frank Act** was to subject banks to more stringent regulation. The Act created the Financial Stability Oversight Council (FSOC) to address persistent issues affecting the financial industry and prevent another recession.

By keeping the banking system under a closer watch, the Act seeks to eliminate the need for future taxpayer-funded bailouts. To both ensure cooperation by financial insiders and fight corruption in the financial industry, the **Dodd-Frank Act** contains a whistleblowing provision to encourage those with original information about security violations to report them to the government. Whistleblowers receive a financial reward.

Source: https://searchcompliance.techtarget.com/definition/Dodd-Frank-Act