

Academic BRASS

published by the
[BRASS Business Reference in Academic Libraries Committee](#)

[Vol 6\(2\), Fall 2011](#)

Lisa Junghahn
Research Librarian and Business and
Corporate Law Specialist
Harvard Law School Library

Dodd-Frank Wall Street Reform and Consumer Protection Act

Dodd-Frank Overview

On July 21, 2010, President Obama signed into law 001 re4(ti.22 Tm9/9ne)3a6 BDC BT/F3 11.04 TT510 0 1 72

Futures create an agreement to buy or sell a stated amount of a security, currency or commodity at a specific future date and at a pre-agreed price. Futures trade on official exchanges (futures markets), and are often used to hedge against movements in the spot prices of the underlying asset. <http://lexicon.ft.com/Term?term=futures-contract>

Options create a contract that entitles the holder to buy or sell an underlying asset (stock, bond, commodity, currency, etc.) at a given price (the exercise or strike price) and before a certain date (the expiry date). <http://lexicon.ft.com/Term?term=options>

Credit default swaps offer protection against the non-payment of unsecured corporate or sovereign debt. A typical CDS contract features one counterparty agreeing to "sell" protection to another. The "protected" party pays a fee each year in exchange for a guarantee that if a bond goes into default, the seller of protection will provide compensation. <http://lexicon.ft.com/Term?term=credit-default-swaps--CDS>

Derivatives are useful for price discovery and hedging risk

or

3(li.59 Tmt0 1 472. a boseg 0(a1e80391399.4115.95m14(s(t)-4(he)3(0)68)-41e803913991 196.85a.02108772)

To address these problems, Dodd-
regulate security-based swaps.

Government Agencies