Nicole Gaudiano, Free Press

Vermont's senators helped pass a historic financial regulatory reform bill Thursday, saying it marks an improvement over the system that led to the 2008 financial crisis.

"It by no means goes far enough, but on the other hand, I think it is a step forward," said Sen. Bernie Sanders, an independent.

Leahy said he would have preferred a stronger bill, too, but the legislation that passed is "considerably better" than the status quo.

"If I thought that it wasn't a dramatic improvement, then I'd ask the question, 'Why is Wall Street spending hundreds of millions of dollars to fight it?'" he said.

The bill, a compromise between different versions passed earlier by the House and Senate, cleared the Senate on Thursday by a 60-39 vote. It now goes to President Barack Obama for his signature.

The bill passed mostly along party lines, with three Republicans voting in favor and one Democrat voting against. Leahy said many Republicans eventually will regret their opposition.

"This is a time where the American people are saying, 'How about voting with us and don't vote with the special interests?'" he said.

Several provisions from the Vermont delegation made it into the final bill, including a measure Rep. Peter Welch, D-Vt., advocated: limiting swipe fees that banks charge merchants every time consumers use a debit card.

Measures by Leahy to increase transparency and give regulators better tools to pursue financial fraud laws, including tougher criminal penalties, also became part of the final bill.

"In the past, a lot of these people felt if they got caught in fraudulent matters they might have to pay a fine or a penalty," Leahy said. "That becomes a cost of doing business."

"Now they know that if they do this they could actually end up going to jail," he said.

Another Leahy provision will ensure Vermont gets at least $5 million in the Neighborhood Stabilization Program, which helps stabilize communities suffering from foreclosures and abandonments.

A Sanders measure that was included requires the Federal Reserve to disclose by Dec. 1 the identities of banks and financial institutions that received more than $2 trillion in taxpayer-backed loans and other assistance at the onset of the financial crisis.

The measure also directs the Government Accountability Office to audit all emergency actions by the central bank since the start of the financial crisis in 2007 until the date of the bill's enactment.

"This is an historic amendment in that it lifts the veil of secrecy in the Fed," Sanders said.

But Sanders said the bill's "two major deficiencies" are that it didn't go far enough to address how to prevent mega-banks from becoming "too big to fail" or to cap exorbitant credit-card interest rates. He said he would continue to press for changes in those areas.

"It is very much on my agenda," he said.