



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER, CHAIRMAN
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SCHUMER ON PAULSON PLAN AND JACKSON RESIGNATION

U.S. Senator Charles E. Schumer released statements on Monday regarding Secretary Paulson's announced blueprint for overhauling the U.S. financial regulatory system and the resignation of Housing and Urban Development Secretary Alphonso Jackson:

Schumer on Paulson's Plan:

"This blueprint is a good foundation for updating the regulation of U.S. financial markets. Secretary Paulson is right that unifying our regulatory system is necessary in order to operate more intelligently and efficiently in the globalized financial system. If anything, the Treasury plan does not consolidate redundant agencies enough and a single regulator may be a better approach.

"But certain important pieces are not included in Secretary Paulson's plan. And I strongly disagree with the Treasury Secretary when he says the current regulatory framework is not at fault for the unrest troubling our economy. The unregulated corners of our economy did much to contribute to the meltdown in our housing market and the accompanying spillover to our financial markets. The havoc wrought by independent mortgage brokers, who fueled the housing bubble, and credit ratings agencies, who rubber-stamped securities with no questions asked, certainly fueled the economic crisis we have now. The Administration's 'deregulation-above-all-else' attitude helped cause the problems we now face.

"If we focus only on consolidation -- and don't also adopt a careful, but more pro-regulation, approach -- then we will have approached this modernizing task with too much of a pre-Bear Stearns mindset."

Schumer on Jackson resignation:

"While he'll have to work out his problems, I appreciate the hard work Secretary Jackson has put into the fight to save affordable housing in New York."

Sen. Schumer's also convening the first Congressional hearing with Federal Reserve Chairman Ben Bernanke since the Bear Stearns collapse. High on the agenda for the Joint Economic Committee hearing will be the Bear Stearns action, the continuing housing and credit crises, possible regulatory reform, and a declining jobs picture (among many other topics).

The JEC hearing with Bernanke will be on Wednesday, April 2, 2008 at 9:30am.
You can find out more at our website: www.jec.senate.gov.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

www.jec.senate.gov

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