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**Financial Services Committee Hearing**  
**“Addressing the Need for Comprehensive Regulatory Reform”**

March 26, 2009

Good Morning, Mr. Secretary,

I want to begin my statement by recognizing your work in helping our country navigate through these turbulent economic times. Your leadership under these extreme circumstances is to be commended.

Next week, our President will meet with international finance ministers to discuss our nation's proposal to bring about regulatory improvements equal to the challenges and complexities of our financial system. Those improvements laid out today recognize that in these unprecedented times, we need aggressive, but wise action.

As we confront the historic task of restoring integrity and stability to our markets, I cannot help but believe that if we had these oversight and regulatory authorities during the past decade, we would never have seen our economy slip into such a deep recession. Further, we would never have been forced to make an enormous taxpayer investment into a Troubled Asset Relief Program.

Instead, we would have known what our largest companies were doing, we would have had a say as to what risks were too great for our markets to bear and we would have had the power to step in when a systemically important company was in danger and resolve it in an orderly process.

Last night, we received your proposal to create this kind of resolution authority by allowing Treasury and the FDIC in consultation with the Federal Reserve to take into receivership failing non-bank financial institutions that pose significant risks to our markets. I commend your decision to put this authority within the FDIC. The FDIC has shown tremendous aptitude in dealing with our current economic crisis since it began. Specifically, the leaders at the FDIC have proven their ability to handle exactly this authority through their work with IndyMac. They unwound the company, instituted loan modification programs and eventually sold it off all while protecting the deposit insurance fund.

This is one critical piece of the package that must move, but we still have much to address including credit rating agencies, damaging accounting standards and the responsible clearing of credit default swaps. I look forward to working with you in moving through Congress the most significant financial regulatory reform package since the Great Depression. While we have so much still to accomplish this year, I feel we are finally on a solid road to recovery.