WEEKLY FINANCIAL SERVICES REPUBLICAN ROUND-UP

Foreclosure Misconduct: Where Were The Regulators?

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The reports of foreclosure misconduct are troubling and warrant Congressional attention.

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Most of the foreclosure related problems that have been reported have all taken place at the nation's largest banks, which are supposed to be the most heavily regulated. It is disappointing the regulators didn't catch this before the media.

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The regulators must diligently complete their investigations in order to remove the uncertainty that is plaguing the market.

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The decision to foreclose on a homeowner is an incredibly serious one and the banks must take particular care that the documents are accurate, that the person signing the affidavits has some actual knowledge of the facts, and that internal controls are in place to prevent errors in the process.

A New Direction For The Committee: Ending Bailouts And Making Oversight A Priority.

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The American people sent a strong message to Washington: they want a new direction for the nation. They want Congress to cut spending, end the bailouts, and listen to their constituents. Republicans have received that message.

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While Democrats complained that Fannie and Freddie were just "too complicated" to address, Republicans led by introducing six bills on reforming the two Government-Sponsored Enterprises. Republicans were also the first to introduce comprehensive legislation to modernize the financial regulatory structure, which also addressed the future of Fannie Mae and Freddie Mac. Republicans will continue to make Fannie Mae and Freddie Mac a priority.

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Once the Obama Administration took control, the Democrats refused to ask any tough questions pertaining to the Administration's programs, actions, and policies. Republicans will remove this protective shield and ensure the Administration answers the tough questions. Oversight of the Administration's actions and programs is needed to help taxpayers understand how their money is being spent and the real-world impact of the Administration's policies.

ON THE HORIZON

Tuesday, November 16: The International Monetary Policy Subcommittee will convene a hearing entitled "The Global Financial Crisis and Financial Reforms in Nigeria" at 3pm in room 2128 Rayburn.

Thursday, November 18: The Housing Subcommittee will convene a hearing on the foreclosure process at 10 am in room 2128 Rayburn.

WEEKEND MUST-READS

Bloomberg: "Obama to Name North Carolina Regulator Smith as Fannie, Freddie Overseer ... President Barack Obama will nominate North Carolina Banking Commissioner Joseph A. Smith Jr. to be chief regulator for Fannie Mae and Freddie Mac as the administration prepares to overhaul the mortgage firms, according to White House officials briefed on the matter."

Wall Street Journal: "Swaps Rules Would Hit Few Players ... Only a few companies are likely to face new requirements that aim to tame risk-taking in derivatives, a top federal regulator said Thursday, in what would be a win for hedge funds and life insurers trying to escape tougher oversight. The new Dodd-Frank financial law says "major swap participants" should face margin and capital requirements, meaning their ability to place bets with borrowed money on things like foreign currencies or interest rates would be limited."

Wall Street Journal: "Geithner 'Confident' of Global Deal ... U.S. Treasury Secretary Timothy Geithner said Monday he is "very confident" world leaders, including those from China, will later this week agree on a global economic rebalancing framework that may include early warning indicators on when current accounts are excessive."

NY Times: "A Lack of Transparency in S.E.C. Disclosure Rule ... Has the Securities and Exchange Commission bungled its disclosure rules?"