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October 21, 2008

*Statement for the Record: Regulatory Restructuring and Reform of the Financial System
House Committee on Financial Services*

Chairman Frank, Ranking Member Bachus,

Thank you for holding this important hearing. Today we have a real opportunity to forge an economic system even more durable than that which we have now. In the tremendous stresses and pressures we have endured thus far, we have gained experience and great knowledge about our financial system, and even greater insight into how to manage its exigencies. I look forward to the bipartisan work ahead of us to develop a more resilient financial system that can better serve the American people and avoid future financial calamities.

In my view, moving forward, we need a financial regulatory framework in this country that can contemplate financial innovation. We need a refurbished financial infrastructure to guard against systemic risk, protect consumers, and foster an environment where innovation and risk taking can be executed responsibly, and rewarded amply. It is my hope that we can set aside partisanship and develop just such a regulatory framework that will not stifle American enterprise with the overbearing, heavy hand of compliance costs, but rather one that will spur economic growth with an infrastructure that frees American enterprise to flourish.

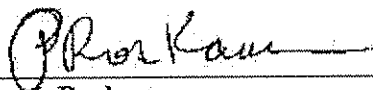
To accomplish this end, we need to take a step back from our current situation, and start by envisioning a regulatory system that offers predictability and confidence in the marketplace. We must take a foundational look at our regulatory infrastructure; we ought not charge ahead with partisan arguments about the need for more or less regulation or some other approach.

Indeed, we need to consider how best to equip a regulator with flexibility, responsiveness, and strength in heading off financial hazards. We must preserve the freedom to fail in our economy. Our new regulatory institutions must be able to thwart the systemic dangers that have plagued us in this season, while at the same time maintaining the balanced hope that lingers between the risk to fail and the reward of success.

The American people have for too long been asked to function under a Depression-era regulatory structure. Although our current circumstances present great challenges, we now have a tremendous opportunity to leverage our experiences toward a new age of unprecedented economic growth and prosperity.

Today, I simply wish to offer a word of caution to my colleagues. We must take great care to preserve the capacity for innovation and growth, while also providing an environment that can more accurately and consistently price risk and manage its costs.

I look forward to reviewing the testimony of our witnesses, and to the hard, but hopefully fruitful work ahead of us.



Peter J. Roskam
Member of Congress