

Mahoney Announces New Task Force on Financial Services Regulation

Working Group Will
Examine Need for Regulatory Reform

(Washington, DC)

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"In my almost 30 years of business experience, first in technology and more recently on Wall Street, I can tell you that when Wall Street innovates the American economy needs to duck," said Congressman Mahoney. "This current crisis again shows the need for Congress to take measured action to identify these risks before they destroy jobs and the financial security of Americans."

"This unprecedented move by the Fed highlights the dangers of letting an antiquated system govern a 21st-century marketplace," said Bean. "These upheavals are a startling indication of the need to update our oversight of capital markets and the financial services industry."

While emergency backstop measures, such as the AIG intervention, are meant to help stem the tide sweeping the global financial markets, the current crisis has proven to be beyond the market's ability to correct itself since the subprime mortgage fallout in 2007. With various measures directed towards Bear Stearns, Fannie Mae and Freddie Mac, and now AIG, the Administration has been using taxpayer dollars to treat the effects without dealing with the root cause.

Earlier this year, the Treasury Department released its Blueprint for a Modernized Financial Regulatory Structure, which calls for comprehensive regulatory reform to reflect the complexity and overlap of today's financial markets. The Treasury report follows the Schumer/Bloomberg report and a report by the U.S. Chamber's bipartisan commission, all of which underscore the need to overhaul our regulatory environment in order to maintain the competitiveness of our capital markets.

"I am pleased that two of the most constructive and thoughtful members of the Financial Services Committee, Reps. Bean and Mahoney, will be heading up this initiative. The existence of the Working Group will be very helpful in our efforts to adopt sensible, appropriate regulatory reform," said Rep. Barney Frank, the Chairman of the House Financial Services Committee.