

## Kagen Votes To Clean Up Financial System

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WASHINGTON, DC - Congressman Steve Kagen, M.D. is working hard to rewrite our financial regulations to prevent the careless behavior that caused our current economic situation.

Kagen voted for the Wall Street Reform and Consumer Protection Act, a comprehensive set of reforms to address the causes of our recent economic crisis by modernizing America's financial regulations, protecting consumers and cracking down on those whose irresponsibility drove our economy into a ditch.

"These new regulations are the changes we need and represent the most meaningful reforms in financial markets since the Great Depression. I am working hard to establish a transparent financial system that works for people on Main Street and the thousands of families I have the honor of representing," said Kagen. "Our economy has been driven into the ditch by a handful of Wall Street speculators and corporations. The opportunity for cheaters to win must come to an end. We will crack down on those looking to make a quick buck at the expense of people who work hard and play by the rules. Everyone understands it will take time to fully recover, but we are now moving in the right direction."

The Wall Street Reform and Consumer Protection Act will create a new, independent federal agency devoted to protecting Americans from unfair and abusive financial products and services. It also creates an inter-agency oversight council that will identify and regulate financial firms that are so large, interconnected, or risky that their collapse would put the entire financial system at risk. These systemically risky firms will be subject to heightened oversight, standards, and regulation. It also establishes an orderly process for dismantling large, failing financial institutions like AIG or Lehman Brothers in a way that ends bailouts, protects taxpayers, and prevents contagion to the rest of the financial system.

"The idea of 'Too Big to Fail' got us into this mess. We are putting an end to 'Too Big to Fail' by enacting new rules that will guarantee effective oversight of financial markets, reduce excessive risk taking, and secure transparent financial markets. The days of the wild west, where anything goes, are coming to an end," said Kagen.

The bill has a provision to give shareholders an advisory vote on pay practices including executive compensation and golden parachutes. It strengthens the SEC's powers so that it can better protect investors and regulate the nation's securities market and regulates, for the first time ever, the over-the-counter derivatives marketplace. The legislation also outlaws many of the egregious mortgage industry practices that marked the subprime lending boom, and it would ensure that mortgage lenders make loans that benefit the consumer. It would establish a simple standard for all home loans: institutions must ensure that borrowers can repay the loans they are sold.

The Wall Street Reform and Consumer Protection Act addresses the role that credit rating agencies played in the economic crisis and takes strong steps to reduce conflicts of interest, reduce market reliance on credit rating agencies, and impose a liability standard on the agencies. The bill also fills a regulatory hole that allows hedge funds and their advisors to escape any and all regulation.