

Ellison supports landmark financial regulatory reform legislation

Written by

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Washington, D.C. – Congressman Keith Ellison (D-Minneapolis) joined a majority of his colleagues in the House of Representatives in passing this past week, H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009.

“The worst financial crisis since the Great Depression was a direct consequence of the failure of our financial regulatory system. This legislation will provide a much-needed overhaul of that broken system. It banishes to the dustbin of history a bankrupt laissez faire philosophy that says that somehow financial markets and companies can regulate themselves,” Ellison stated.

The Wall Street Reform and Consumer Protection Act of 2009 would put in place needed regulation of derivatives, hedge funds and credit-rating agencies. It would also protect and empower investors, giving them greater say in electing company board members and in establishing executive compensation.

To prevent future financial failures such as we’ve seen, the legislation would establish a new Financial Services Oversight Council to study potential risks to the financial system and identify financial firms that would be subject to stricter regulation. In addition, the bill gives regulators the power to break up firms that are “too big to fail” and establish an orderly process for winding them down should they get into trouble. Finally, it would establish a Consumer Financial Protection Agency (CFPA) that would have the power to prohibit unfair, deceptive and abusive consumer financial products and provide clear terms and conditions for consumers.

“We need a brand new agency with consumer protection as its sole mission. A Consumer Financial Protection Agency that looks after the interests of consumers will also benefit responsible lenders and safeguard the safety and soundness of our financial system,” Ellison said.

The Senate is still developing its own version of comprehensive financial regulatory reform.

“The landmark legislation will usher in an era of consumer protection, stronger financial regulation and the orderly breakup of large financial firms deemed ‘too big to fail’,” Ellison concluded.