<u>Statement of Sen. Chris Dodd</u>
<u>Monday, March 22, 2010</u>

For three years now, dating back to our first hearings on home foreclosures in 2007, this committee has been studying the causes and effects of the worst financial crisis since the Great Depression.

The effects are obvious.

Some of the most prominent financial institutions in our country have been destroyed or seriously weakened – but as bad as that has been the far worse damage has been done to millions of ordinary families across America who did nothing wrong but are paying a terrible price.

A staggering 8.4 million jobs have been lost, and the unemployment rate remains near double digits, and in far too many communities the rate of unemployment is over double digits.

Nearly 7 million have lost their homes to foreclosures. Millions more have lost their retirement funds, or their small businesses.

And, as our constituents have made very clear to each of us, Americans are frustrated and angry, and they want Answers.

How could this have happened? And what are we going to do to make sure it never happens again?

We must reform our regulatory structure so a crisis on Wall Street doesn't wipe out working families and businesses.

We must create an early warning system so that we can spot unsafe financial institutions, products or practices and stop them before they threaten the stability of our whole economy.

We must protect American consumers and restore their faith in our markets and in the financial system.

Such comprehensive reform is, of course, an enormously complex undertaking.

I want to thank my colleagues, Democrats and Republicans, for the hard work they have already put in to get us to this stage in the process.

If all you do is watch cable news shows, you might get the idea that all we do here in the Senate is lob talking points at each other across the aisle.

But the truth is that a challenge like financial reform requires a lot of real and honest work.

And whatever happens from this point forward, the members of the committee should be recognized for the work they have done.

Working in bipartisan teams, members of the committee have tackled some difficult and important questions and produced a bill that will address serious problems.

The result is a bill that will update our regulatory system for the 21st century financial sector, so that we can keep pace with innovation and be ready for future crises before they happen.

This bill has 11 titles, and rather than go through each one let me briefly highlight the four critical pieces of this proposal.

1) It will end bailouts, ensuring that failing firms can be shut down without relying on taxpayer bailouts or threatening the stability of our economy.

2) It will create an advance warning system in the economy, so that there is always someone responsible looking out for the next big problem.

3) It will ensure that all financial practices are exposed to the sunlight of transparency, so that exotic instruments like hedge funds and derivatives don't lurk in the shadows and businesses can compete on a level playing field.

4) It will protect consumers from unsafe financial products, such as the subprime mortgages that led to the financial crisis.

And, most importantly, it will restore our financial security so that our economy can create jobs and offer middle class families a chance to build wealth.

Today, a full three years after we began to study the crisis, and after a tremendous amount of discussion and study, we have a bill.

I know that there will be spirited discussion in the days and weeks ahead, but I expect that all the members of the committee and the full Senate will understand very clearly that we are moving forward.

The stakes are too high – and the American people have suffered too greatly – for us to fail in this effort.

And we will not fail. We will have reform this year.