

Congressman Joe Baca

Opening Statement

Financial Services Committee Hearing – *Examining Bank Supervision and Risk Management in Light of JPMorgan Chase's Trading Loss*

June 19, 2012

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- I want to begin by thanking the Chair and Ranking Member for calling this hearing.
- Leading up to the collapse of 2008, we saw many of our country's biggest financial institutions over-extend themselves and engage in risky trades to pad the pockets of their investors.
- And they did so with little regard as to whether they could cover their losses if they needed to.
- Today, our economy is still paying for these mistakes, and Americans are still cautious of what happens on Wall Street and the regulation that is supposed to protect us.
- That is why what happened with JP Morgan is so troubling, because it continues to send the message that Wall Street still doesn't get it.
- Homeowners are still facing underwater mortgages; unemployment is still in double digits, and people are still trying to rebuild their savings for retirement, while executives on Wall Street are still being handed golden parachutes after being fired or let go.
- Yet our country's biggest financial institution argues, that even though this deal has already accounted for \$4 billion in losses, stronger regulation is not needed.
- Maybe the only people who were hurt in the pocket were the shareholders of JP Morgan, but we should all be clear about the message that is being sent.
- I hope today we can discuss how we can fix this message and build back the confidence in our market that the American public deserves.
- Thank you and I yield back –