



EMBARGOED UNTIL DELIVERY
Thursday, October 29, 2009

Contact: Erica Elliott
Phone: 202-744-2693

Garrett Opening Statement for Financial Services Committee Hearing

(Washington, DC)– **Rep. Scott Garrett (R-NJ)** released the following opening statement for today’s Financial Services Committee hearing titled **“Systemic Regulation, Prudential Matters, Resolution Authority & Securitization”**:

“In the last several months, it was my impression that there was a developing consensus that the Federal Reserve should be given less power, not more. But in reading over this discussion draft in the very limited time we’ve had to review the most important legislation this committee will consider in most of our lifetimes, I am struck by how much power it is given.

“Although not singled out as a systemic uber-regulator in name, don’t be fooled. The Fed is given primary supervision over systemic firms and can even override lesser regulators that won’t comply with its wishes.

“In the name of mitigating systemic risk, the Fed is also given unlimited authority to systematically dismantle a private company. This is a lot more sweeping than imposing tougher capital standards.

“I, for one, given the extraordinary government interventions into private firms we’ve already seen, with the trampling of the rule of law in order to benefit political favorites in the auto bankruptcies for instance, am very uncomfortable with this sweeping, unchecked power – especially for an entity that failed to effectively regulate many of the large bank holding companies already under its purview.”

###