

Testimony of Kenneth D. Brody - "Promoting Economic Recovery and Job Creation: "The Road Forward" on January 26, 2011 at 10am - 2128 Rayburn House Office Bldg.

The Dodd-Frank legislation is but part of international activity, specifically Basel III, that will have the effect of making banks safer and duller in part by requiring greater equity or equity-like capital to support the operations of the banking system. This is a step in the right direction. We need a safe and stable financial system in the long run.

Hundreds of rules need to be written by regulators and this, of course, is creating uncertainty. Unfortunately it is probably unavoidable and brings with it a bit of a bureaucratic mess. The good news is that it will be sorted out, probably within 1-2 years and we will have a safer financial system at the end of the day. In the interim, banks are lending today and borrowers are borrowing to the extent they need to do so and are credit worthy. A National Federation of Independent Businesses survey conducted in December reported that 91% of respondents were either getting the bank loans they needed or did not need loans. Of course, firms that are not credit worthy are not able to borrow and that is as it should be. And banks with relatively low equity ratios or excessive bad loans on their books are likely to be cautious about lending in this uncertain regulatory environment. But the main story is that the financial system is working well even while the rules to Dodd-Frank are being written.

United States House of Representatives
Committee on Financial Services

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name: Kenneth D. Brady	2. Organization or organizations you are representing: Self
3. Business Address and telephone number: Taconic Capital Advisors [REDACTED]	
4. Have <u>you</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5. Have any of the <u>organizations you are representing</u> received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. If you answered .yes. to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets. 	
7. Signature: Kenneth D. Brady	

Please attach a copy of this form to your written testimony.