

Bachus Statement on Stress Test Results

May 7, 2009

WASHINGTON - Congressman Spencer Bachus (AL), the top Financial Services Committee Republican, issued the following statement regarding the stress tests results:

"It's troubling that the government is again changing the rules by redefining bank capital requirements, forcing banks to convert preferred stock to common. This is not an insignificant step toward partial nationalization, a step that has only been made necessary by the government applying a worst-case scenario in the stress tests.

"Today's results do not come as a surprise, though. As always, some banks are in stronger positions financially than others.

"However, these results serve as an important reminder that government intervention, now reaching further and further into the banking system, continues to create a great deal of market uncertainty. The longer government continues to pick winners and losers in the private sector, leaving taxpayers with the tab, the longer it will take for an economic recovery to take hold.

"A healthy and fully functioning banking system is critical to a strong economy. That's why House Republicans continue our call for a commonsense exit strategy from the continuous cycle of taxpayer bailouts. Working families, who must be repaid in full, deserve nothing less."

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