
WEEKLY FINANCIAL SERVICES REPUBLICAN ROUND-UP 6.19.2009

MESSAGING RESOURCES/POLLING UPDATE

REGULATORY REFORM

Giving Government Bureaucrats the Task of Approving Financial Products Will Impact Every Borrower. The Democrats' regulatory reform alternative will give government bureaucrats the task of deciding which financial products are suitable for consumers. This could have a detrimental impact on our financial markets by virtually eliminating all innovation in the market. Most importantly, this "stamp of approval" will hurt consumers who discover they are no longer able to obtain the credit they need, or that the financial product that they have relied upon-like their credit card or debit card-is no longer available.

Consumers Should Be Empowered To Make Their Own Financial Decisions. The Democrats believe that government bureaucrats can do a better job than Americans at selecting which financial product suits them best. The government should not be in the business of making individual credit decisions for all Americans. Instead, consumers should be empowered and educated to make their own financial decisions. Consumers, not the government, know what financial products work for them. Borrowers deserve understandable disclosures, not more regulation.

We Need To Promote The Responsible Extension of Credit By Getting The Government Out Of Picking Winners and Losers, Streamlining Bureaucracy, and Making Regulation Smarter. The Democrats' plan creates a permanent credit crunch for consumers and small businesses by forcing many non-bank consumer finance companies out of business and creating a massive new regulatory bureaucracy. This will eliminate a significant source of credit for consumers and small businesses and undermine the economic recovery.

Polling Update:

Rasmussen: "80% Want Government To Sell Stake In GM, Chrysler Right Now... Eighty percent (80%) of U.S. voters want the government to sell its stake in General Motors and Chrysler as soon as possible."

ON THE HORIZON

Wednesday, June 24: The Full Committee will meet for a hearing entitled "Regulatory Restructuring: Enhancing Consumer Financial Products Regulation" at 10 am in room 2128 Rayburn.

Thursday, June 25: The Full Committee will meet for a hearing on housing preservation at 10 am in room 2128 Rayburn. At 2 pm, the Financial Institutions Subcommittee will convene a hearing on consumer protection and financial literacy at 2 pm in room 2128 Rayburn.

WEEKEND MUST-READS

USA Today, Bachus: "Down the wrong road ... The Republican and Democratic plans for reforming our financial regulatory system are a study in sharp contrasts. While the Democrats' plan keeps in place a system in which large financial institutions look to Washington and the U.S. taxpayer for relief when they become big enough or inter-connected enough to bring down the financial system if they fail, Republicans' response is "never again."

Wall Street Journal, Garrett, Hensarling, Price: No More Bailouts...The turmoil of the past year has caused us to reconsider what we believe to be the reality of the marketplace. Titans of industry, once considered impervious, proved that they weren't as resistant to crisis as was once thought. While the effects of this crisis are still evident in our communities, we've seemed to survive the most turbulent period. Now is the challenge of figuring out how to pick up the pieces to prevent a similar occurrence from happening again - all the while making sure that as we reassemble those pieces, what emerges preserves the free market system."

Wall Street Journal, Editorial: "Hope vs. Financial Experience ... The main idea behind the Obama Administration's new financial revamp is essentially this: With more power and a modest reshuffling of the bureaucratic furniture, the same regulators who missed the last credit mania will somehow prevent the next one. If nothing else, this concept is certainly true to President Obama's campaign theme of "hope."

Wall Street Journal, Wallison: "Too Big to Fail, or Succeed ... Although the president said in his speech that he supports free markets, these initiatives confirm that the administration fears the "creative destruction" that free markets produce, preferring stability over innovation, competition and change."

New York Times: "Stalking A Weaker Wall Street ... Wall Street's great investment houses have never faced a serious foreign challenge in their own backyard. But as tectonic shifts reverberate through the banking industry, their overseas rivals are edging into some of the most lucrative corners of American finance."

Wall Street Journal: "Securities Revamp Has Its Doubters on Street ... The Obama administration's planned revamp of securitization doesn't go much beyond what is already in the works, raising doubts on Wall Street about whether the plan will fix the market chiefly responsible for the global credit crisis."

Wall Street Journal: "Corporate Lenders Get Hit...Target Corp., Harley-Davidson Inc., Pitney Bowes Inc. and dozens of other companies that aren't banks but pitch loans and other financial products are being squeezed by the Obama administration's financial-overhaul plan."

Wall Street Journal: "Fed's Next Job: Figuring Out Just Who Is Too Big...Who will be the most regulated of them all?"

COMMITTEE REPUBLICANS IN THE NEWS

Rep. Jeb Hensarling issued this press release: Democrat's Plan Perpetuates Bailouts

Rep. Scott Garrett issued this press release: Garrett Reaction to Obama Financial Services Regulatory Reform Proposal

Rep. Randy Neugebauer issued this press release: Statement on Obama Administration's Regulatory Reform Plan

Rep. Patrick McHenry issued this press release: McHenry's Credit Rating Proposal Included in Administration's Regulatory Overhaul

Rep. Spencer Bachus issued this press release: Bachus Statement On The Administration's Regulatory Reform Plan

CARTOON OF THE WEEK

(Nate Beeler, 6/18/09)