Ranking Member Maxine Waters Opening Statement at Hearing entitled "Assessing the Impact of the Dodd-Frank Act Four Years Later"

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As prepared for delivery

Thank you very much, Mr. Chairman.

I'd like to welcome all of today's witnesses. And I want to acknowledge and welcome the former Chairman and longtime veteran of this Committee – Barney Frank – who has agreed to be the Democratic witness.

Barney, I've had your portrait hanging over me for just about a year now. And during that time I've concluded that just seeing Barney Frank – without hearing him – is no Barney Frank at all.

I'm pleased we all will be able to hear you today. I hope to hear you remind my Republican colleagues about just how close to the brink we came in 2008, and about why Congress and the President responded forcefully with your namesake legislation, the Dodd-Frank Wall Street Reform and Consumer Protection Act.

I'm sure you'll recount the incalculable, widespread human suffering that was inflicted upon millions of Americans – suffering that still continues to this day. How years of deregulation, lax enforcement and zero accountability for the nation's financial institutions destroyed more than $13 trillion in economic growth, $16 trillion in household wealth – and led to millions of foreclosures and devastating unemployment.

In the aftermath, Democrats, and some Senate Republicans, passed Dodd-Frank, which provided oversight to Wall Street, gave regulators the tools to end the era of "too big to fail" entities and taxpayer bailouts, and eliminated loopholes that allowed risky and abusive practices to go unnoticed and unregulated. And most importantly, it restored responsibility and accountability to our financial system – giving Americans confidence in a system that works for – and protects – them.

Chairman Frank, I'm proud to have worked so closely with you on this important legislation. And I'm even more proud of the law's remarkable progress in just four short years.

The Consumer Financial Protection Bureau is up and running, already returning $4.6 billion to 15 million consumers who have been subjected to unfair and deceptive practices.

The Volcker Rule has been finalized, which is forcing banks to limit the practice of trading to make money for themselves, and refocusing them on making investments in the real economy.
Shareholders of U.S. corporations now have a "say-on-pay," and can better hold executives accountable by voting down excessive compensation or golden parachutes.
And thanks to stronger authorities given to the Securities and Exchange Commission – one of Wall Street's top cops – more than $9.3 billion in civil penalties has been recovered from bad actors since 2011.

But before these accomplishments were evident – in fact, before the ink on President Obama's signature was dry – Republicans immersed themselves in an aggressive, unrelenting campaign to repeal, weaken, and pressure regulators to return us to the time before the crisis.

They incorrectly blame the financial crisis on government efforts to house the poor and disadvantaged – despite the fact that private mortgage securitizations built on predatory mortgage loans started the crisis, exotic over-the-counter derivatives exacerbated it, and poor corporate governance and risk management allowed it to flourish.

And just as they misdiagnose the causes, they misunderstand the cure.

Republicans have pushed proposals to cut regulator funding and subject their rulemakings to constant implementation hurdles and court challenges. Democrats have tirelessly fought GOP efforts to render Dodd-Frank toothless – or risk returning the financial services industry to the opacity, risk, and deregulation that caused the crisis.

They make hyperbolic claims about the effects of regulation. These assertions are as old as time – indeed the same salvos can be heard from opponents of the 1933 Securities Act, passed in response to the crash of 1929.

And though they are the loudest critics, Republicans have never offered an alternative. No alternative to protect consumers. No way to wind-down large, complex banks. And no capacity to pass reforms of Fannie Mae and Freddie Mac.

I continue waiting for my Republican colleagues to acknowledge, as Mr. Greenspan has, that they have "found a flaw" in free-market ideology.

Mr. Chairman, the four-year anniversary of the Dodd-Frank Act is an important milestone. We should look back and assess how far we've come – and where we need to go.

And today I – for one – look forward to correcting the record and getting some facts straight about this historic law and its contribution to the renewed vibrancy of our nation.

I welcome the witnesses' testimony.