



Sam Brownback

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BROWNBACK COMMENTS ON BERNANKE TESTIMONY

Fed Chairman testifies before Joint Economic Committee

WASHINGTON – U.S. Senator Sam Brownback today commented before the Joint Economic Committee which heard testimony from Federal Reserve Chairman Ben Bernanke on the economic outlook.

“I thank Chairman Bernanke for his strong and decisive leadership at the Federal Reserve,” said Brownback. “The Federal Reserve acted swiftly and decisively during the Bear Stearns-JP Morgan marriage.

“However, I am concerned when taxpayer money is used to rescue sophisticated private investment and commercial banks from the consequences of the banks’ own strategic decisions. I am interested in learning more about how the Federal Reserve will quantify the financial risk to the taxpayer resulting from the Fed’s recent and any future actions to help private companies.”

Brownback continued, “As the Federal Reserve studies the meltdown in the subprime mortgage market, I hope that it will evaluate the degree to which the failure to implement quality control standards on mortgage originating activity contributed to the current crisis.

“The Federal Reserve should determine if instituting a system of rating originators for the completeness and accuracy of the data they provide lenders and making that part of a loan’s rating would, based on an evaluation of real world data, have prevented some of these loans from being made or from being securitized.

“On another note, I would like to express my continuing concern over the Senate’s failure to give the Fed a full complement of Federal Reserve Governors and the President a full Council of Economic Advisers at this critical juncture for our economy.”

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