

Chris Dodd

U.S. SENATOR FROM CONNECTICUT



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**Statement of Senator Dodd, Chairman of the Senate Committee on Banking,
Housing and Urban Affairs, on Hearing Entitled “The Role and Impact of Credit
Rating Agencies on the Subprime Credit Markets.”**

“I want to express my gratitude to Senator Reed for chairing this very important hearing. Families all across this nation continue to struggle to hold on to their homes and far too many have seen their dream of homeownership slip out of their grasp because of abusive and predatory subprime lending. These loans were facilitated by Wall Street with the support of credit rating agencies. These loans are now defaulting and going into foreclosure at historically high rates, leading to the collapse and the loss of confidence in some of our mortgage and other capital markets. Today the Senate Banking Committee will examine what role credit rating agencies played in this collapse, and whether any steps are needed to prevent future problems.

“Since becoming Chairman of the Senate Banking Committee, I have made American homeownership a top priority, convening two hearings to examine the problems in the subprime mortgage market and successfully persuading the Federal Reserve to meet its obligations under the Homeownership and Equity Protection Act to issue regulations to address unfair, deceptive, and misleading actions against homebuyers. Today’s hearing is part of the process of examining every aspect of the problem in the effort to protect, preserve and promote the American dream of homeownership.

“There have been some precipitous downgrades to the credit ratings of securities in the subprime markets, creating significant market problems. This hearing will allow the Committee to examine the circumstances of these downgrades, the integrity of the ratings process, the oversight by the SEC, and whether statutory, regulatory or industry changes are warranted

“I am committed to continuing to work as Chairman of this Committee to protect and preserve homeownership.”