

**Statement of Senator Tim Johnson**  
**Senate Committee on Banking, Housing and Urban Affairs**  
**March 22, 2010**

Thank you Chairman Dodd and Ranking Member Shelby. I am pleased that we are moving forward legislation that targets the regulatory gaps and the Wall Street risks which caused our nation's economic crisis.

This has been a long process, and I commend the Chairman for working hard to find common ground to target the causes of the financial crisis, and reform and modernize our nation's financial regulatory system.

The bill we will vote on incorporates good ideas from both sides of the aisle. It creates a systemic risk council to act as an early warning system, monitoring our economy and financial institutions for trouble. It will end government bailouts by addressing the gaps that existed when large nonbank financial companies, like AIG and Lehman, failed and there were no tools to unwind them. By ending "too-big-to-fail," the American taxpayer will never again be forced to shoulder the costs of risks taken on Wall Street. It will also finally regulate exotic products like credit default swaps, and hold Wall Street companies accountable for the risks they take that put consumers at risk. This legislation will create better regulation, and protect consumers and Main Street small businesses.

I also want to thank Chairman Dodd for listening to his colleagues, and commend my Republican counterparts for their efforts to find consensus. Because of these efforts, many of my concerns and ideas to create a common sense approach to the regulation of state-chartered banks, national banks, and bank holding companies are incorporated into this bill. We have found good solutions to protect small community banks and credit unions; we have made progress on language for preemption and state enforcement, and we have found common ground to protect consumers, provide uniform rules regarding consumer protection, and level the playing field for banks and nonbanks.

Of course this bill is not perfect, and despite our best efforts, we don't yet have bipartisan support, but I believe we are close. There are certainly items each of us on this Committee would like to see improved as we go to the floor. My colleagues and I have been part of a number of productive, bipartisan conversations on a range of topics including derivatives, corporate governance, consumer protection, preemption, and proprietary trading limits. I am hopeful that conversations on these issues and others will continue in coming weeks and additional changes will be part of the final bill. That said, it is time to move this legislation out of Committee and onto the floor, and I will support that effort.