

**Senator Brown Opening Statement**  
**Nominations Hearing on January 23, 2018**  
**Jelena McWilliams (FDIC), Marvin Goodfriend (Fed), and Thomas Workman (FSOC)**

Thank you, Mr. Chairman, for convening this hearing. Thank you to the three nominees for your willingness to serve the public, and thanks to your families as well.

Ten years ago, in January 2008, Bank of America announced it would buy Countrywide, which at the height of the bubble was financing one out of every five mortgages in America.

At the time, Wall Street thought it was a rare business opportunity. But it only took Countrywide a few months to go from a darling of bank analysts to an anchor around the nation's largest bank, and a threat to our economy. Though consumer advocates knew that Countrywide was peddling predatory loans, Wall Street and regulators all failed to see how a large regional mortgage lender could pose a threat to a \$1.7 trillion bank, and to the wider financial system.

That's why we passed Wall Street Reform – to hold watchdogs and large banks to a higher standard, especially when things appear to be rosy.

Now, ten years later, the crisis has faded from memory and bank profits are back to record levels. Though the same consumer advocates that warned us about Countrywide are cautioning us not to roll back the rules, too many policymakers have forgotten the lessons of the last crash.

Ohioans haven't forgotten. While banks got bailed out and executives made off with golden parachutes, families at kitchen tables across Ohio were left with impossible choices – should we pay our mortgage or medical bills? Should we buy our prescription drugs or make our car payment?

Ms. McWilliams, if confirmed, you will be in a key position to ensure this never happens again. You will follow in the footsteps of two dedicated public servants – Marty Gruenberg and Sheila Bair – who led the FDIC through the most challenging period since the Great Depression. I hope that you seek their counsel and take it seriously.

You'll be charged with stewardship of our nation's community banking system. We know that when Wall Street creates a crisis, small banks are dragged down with a sinking economy. During the last crisis, we lost community banks across Ohio – in Lakeview, Cleveland, Milford, Parma and West Chester. Financial crises are a large part of why there are so many fewer community banks serving small businesses and families today than there were thirty years ago.

Dr. Goodfriend, I appreciated our conversation in my office, but I am very troubled by your long-held views on our nation's monetary and regulatory policies. You have questioned the Fed's mandate to fight unemployment, suggested a regressive tax on the cash in workers' wallets, and endorsed legislation that would gut the CFPB and undermine the institution you want to work for.

I'm worried that if confirmed, you would not defend the independence of our central bank and you would be more concerned with threats of inflation rather than people losing their jobs and livelihoods.

Mr. Workman, thank you for your service in uniform and your long career in Ohio – many people back home expressed their appreciation for your qualifications. I'm interested in learning about how you would shift to this new watchdog role, and how you will protect the economy when the FSOC is dismantling our post-crisis reforms. From deregulating AIG, whose toxic credit default swaps amplified the crisis, to dropping its effort to regulate MetLife, I'm concerned that the FSOC is abandoning its mission.

Much like the run-up to the 2008 crisis, Wall Street profits and household debts are at record highs, and corporations and the wealthy are enjoying windfall tax cuts. Meanwhile, working families haven't seen a real raise in fifteen years. As policymakers, I expect each of you to resist the collective amnesia that has settled in across Washington, DC and use your positions to make the economy work better for American families.

I look forward to hearing from the witnesses.

Thank you, Mr. Chairman.