

CHRIS DODD USES HEARING TO CALL ON GEITHNER TO DO HIS JOB

Chris Dodd didn't have many questions in yesterday's hearing on the foreclosure crisis. But he did use the opportunity to call on Tim Geithner to convene the Financial Stability Oversight Council to prevent this crisis from blowing up the economy.

Dodd: Attorney General Miller, at the outset of my opening comments I talked about the importance of getting the, this Financial Stability [Oversight] Council that we established in the Financial Reform Bill to anticipate systemic risk and to collectively work as a body chaired by the Secretary of the Treasury, along with the FDIC and the OCC—there are ten members of that, an independent member and five others that are part of it. This seems to me like a classic example—one that we did not anticipate necessarily when we drafted the legislation, but exactly, we are in a crisis with this. Now you can argue that it's not yet a systemic crisis that poses the kind of risk we saw in the Fall of 08, but no one can argue that we're not in the middle of a crisis. Now the idea of this, of course, was to minimize crises so they don't grow into a large, systemic crisis. Have you had any contact with the Secretary of Treasury? Or is there any communication going on between the Attorney Generals and this Council or the Chairman of it, the Secretary of the Treasury, or their office, to begin to talk about what the role of the federal government might be in formulating an

answer to all of this?

Miller: We haven't had any contact with the Council. We have had repeated contact with the Department of the Treasury, with Assistant Secretary Michael Barr and his staff. We've developed a terrific ongoing relationship with them. We talk about these issues and try and help and support each other on these issues. So we've had a lot of discussions with Treasury but not with that particular Council.

Dodd: Again I saw [mumble] privately with Senator Warner and others may, Senator Merkley has a similar thought. I'm going to use this forum here, obviously in a very public setting, to urge the Secretary of Treasury and others to convene that Council to begin to work with you and others, so there is a role here to examine this question in seeking broad solutions. So my hope is they'll hear that request to pick up that obligation that we laid out in that legislation.

You know, when the Chairman of the Senate Banking Community has to use a forum like this to try to remind the Secretary of Treasury of his obligation under Dodd-Frank, it does not inspire a lot of confidence.