

Congress of the United States
CONGRESSIONAL OVERSIGHT PANEL

Opening Statement of Richard Neiman

Congressional Oversight Panel Hearing on the TARP's Impact on Financial Stability

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When the financial crisis hit in fall 2008, we had a Republican President and a Democratic Congress. This Panel was created by that Congress to help hold the Administration accountable in implementing the TARP program.

There was no shortage of ideological objections from the left and the right when TARP was passed, and there are no fewer today. But the American public's concern it seems to me has been far less ideological or partisan. Rather their pragmatic focus has remained: Is the investment of our money serving the public well?

It would have been difficult for this panel to assist with answering that question if we ourselves got distracted from it. Congress wisely placed both Democrats and Republicans on this Panel to force us to be as pragmatic as the people we were appointed to serve. And our effort towards that goal over two years, as the nation gained a new Democratic President, and then gained a new Republican House of Representatives, remained the same.

Our five different perspectives and backgrounds could have led to more disagreement than agreement, and ultimately a failure to shed light and create accountability regarding the most complex financial issues of today.

But one of the things that I will personally take away from the experience of the last two years is a renewed optimism that people can still work together for the public good during increasingly partisan times. Even in the beginning, when ideology was at its height, prior panel members Chairwoman Warren, Congressman Hensarling, and Senator Sununu – who all had something important, but different, to contribute – found ways to come together. Elizabeth Warren deserves great credit for her leadership in the early days of this panel.

We have not been perfect, however, and our oversight was always finite. So if someone asked me what is the single most important public service we were able to provide, I believe the answer could really only be one: I believe we helped empower the American public to fulfill their critical role as the true watchdogs of government.

That's why we consistently called for more public data and more transparency. We demanded more information on TARP expenditures, HAMP mortgage modifications, non-HAMP mortgage modifications, bank health and lending, and other TARP-related areas. Our goal was to attain

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information on a systematic basis, communicated as clearly as possible. With this people can assess what is happening today, and others in the future can with the benefit of time truly assess what happened back in that first global financial crisis of the 21st Century.

So our monthly reports and hearings come to a close this month, but the end of TARP oversight does not. I would humbly encourage our skillful fellow oversight bodies, SIGTARP and GAO, and the many reporters and bloggers, who so often got the facts right, to continue to focus on ways to empower the public with clear information that provides opportunity to understand and have an impact.

The need for such opportunity could not be clearer than it is on the foreclosure front that is crushing too many people and stifling economic growth. Frankly, the crisis is simply too big for any one agency or even any one government to solve on its own. Sustainable solutions can only be achieved through a national effort where government fully engages housing advocates and people to be a full partner. To that end, we still desperately need:

- * a widely utilized Web Portal that allows homeowners to submit mortgage modification applications, see that servicers have the documents, and be able to hold servicers accountable when documents are claimed to be incomplete or missing;

- * a Homeowner Advocate's Office to hear complaints directly from homeowners, learn from those complaints, understand the big picture trends, and work to impose accountability on mortgage servicers; and

- * a National Mortgage Foreclosure Database so missed mortgage payments and potential foreclosures can be monitored, trends can be identified, and people in need of help can quickly be alerted to the fact that help is available and often free.

The fact is that free markets work. But the other fact is that they don't work as well as we would always like. The reason for this apparent inconsistency is often the lack of broadly available information that allows market participants and consumers to create fully functioning markets. We need continued light-shedding oversight and reforms to make free markets work. Its simply good for the housing market, the financial market, and the greater economy.

I would like to conclude by thanking today's witness for their past and current support of our work, and by thanking all of our earlier witnesses. I feel particularly compelled to express great gratitude to my colleagues Ken, Mark, Chairman Kaufman, and Vice-Chair Silvers for solidifying a belief that people with different philosophies can still work together for the greater good in Washington DC.