

STATEMENT

BARNEY FRANK OPPOSES WEAKENING DERIVATIVE RULES IN THE OMNIBUS APPROPRIATIONS BILL

Former House Financial Services Committee Chairman Barney Frank today strongly urged his former colleagues to reject the Omnibus Appropriations Bill because of its stealth attack on financial reform.

“The provision inserted into the Appropriations bill is a substantive mistake, a terrible violation of the procedure that should be followed on this complex and important subject, and a frightening precedent that provides a road map for further attacks on our protection against financial instability,” Frank said.

“Ironically it was a similar unrelated rider put without debate into a larger bill that played a major role in allowing irresponsible, unregulated derivative transactions to contribute to the crisis. How to regulate derivatives is a question about which responsible people can differ, and the subject of what insured banks should be doing in this area is a legitimate subject for debate—but not for a non-germane amendment inserted with no hearings, no chance for further modification, and no chance for debate into a mammoth bill in the last days of a lame-duck Congress. Those who have consistently opposed any significant financial regulation should be willing to put forward their proposals to cut back on the rules we adopted in response to the crisis in a manner that allows full, open discussion, and members supporting this retreat should be required to do so by their votes without the cover of an Omnibus Appropriation, not subject to amendment”, Frank concluded.