

Chairman Frank to Colorado Bankers and Graduate School of Banking Students & Alumni

“You have every right to be very angry”

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“An old saying ‘I am here in body but not in spirit’ is common in Congress, but today is genuinely the opposite” U.S. House Financial Services Committee Chairman Barney Frank stated while explaining why his monumental housing legislation forced him (at the last minute) to not attend in person. CBA and the Graduate School of Banking at Colorado proudly brought over 450 Colorado bankers, GSBC students and CBA Bank Leaders of Tomorrow participants the unique opportunity to hear from one of the sole individuals involved in the massive reshaping of the financial world. He touched on topics such as his sweeping housing legislation and the function, logic, and importance behind its creation; as well as ILC’s, the Farm Credit System, Fannie and Freddie, credit unions, and the list goes on.

His admiration for the solid structure of the banking industry resonated through all of his comments, and he regularly complimented the industry while acknowledging the media’s sometimes irresponsible portrayal of the current economic situation. “I sympathize with many of you. You have every right to be very angry and frustrated when you hear people blame the banks for the subprime crisis.” He then went on to explain, that “the bank system is in good shape. The fact that some banks are going to fail is not a sign that there is some terrible crisis coming. And in fact, in the banking system unlike in the investment houses and elsewhere, we have an autarky system for dealing with failure.”

His timely and direct remarks on the brand new Fannie and Freddie plans, as well as the responses in Congress, the public, and the media on bank failures, gave the audience a picture of what to expect from this new regulatory set up, and the effect on banks and the taxpayer.