

March 25, 2009

**Statement of Edmund Mierzwinski, Consumer Program Director, U.S. PIRG  
At News Conference to Introduce  
Financial Product Safety Commission Act**

“We are pleased to join Reps. Bill Delahunt (D-MA) and Brad Miller (D-NC), Professor Elizabeth Warren and Travis Plunkett of the Consumer Federation of America at this event to announce the introduction of a Financial Product Safety Commission.

Our financial regulatory system is broken. The federal bank regulators are largely captured regulators. They’ve never made enforcement of the consumer protection laws Job One. Of course, they also failed at the job that is Job One for them, ensuring the safety and soundness of the financial system.

Had consumers been protected by the regulators from predatory home loans in the first place, the economic crisis we face might have been smaller and more easily resolved. Had consumers been protected by the regulators from unfair credit card practices, they wouldn’t have sent 56,000 letters to the Fed demanding new protections from those unfair practices.

As first proposed by Professor Elizabeth Warren, the Financial Product Safety Commission offers a unique opportunity. The commission proposal is something that doesn’t come along often in Washington. It’s a game-changer idea in a year when we need new ideas. We can’t fix the financial system by tinkering around the edges. The Financial Product Safety Commission is an important part of a comprehensive solution to our regulatory problems and we look forward to its passage. Sure, we also need to look at a systemic risk solution, improving transparency, and making sure that all players in the financial system are adequately regulated.

But Congress should not forget that the economic crisis began with unfair loans. Giving consumers a dedicated financial consumer protection agency that has only one job is the only way to guarantee that Job One – protecting consumers from unfair practices -- gets done. We need an agency that looks out for the little guy and won’t get captured by the banks. We need an agency that will set rules for products that guarantee that the products won’t lead to unsustainable, unconscionable and unfair debt. That agency is the Financial Product Safety Commission.

We look forward to passage of the Financial Product Safety Commission Act.”

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