

Pelosi Remarks at Press Conference on President Trump's #WallStreetFirst Agenda

Washington, D.C. – House Democratic Leader Nancy Pelosi joined Financial Services Committee Ranking Member Maxine Waters and other Members of the Committee at a press conference to highlight President Trump's anti-worker agenda to put #WallStreetFirst and sell out Main Street. Below are the Leader's opening and closing remarks followed by the question and answer session.

Leader Pelosi's Opening Remarks:

"Good morning, everyone. Thank you for being here on this Monday morning. I am honored to be here with our Ranking Member of the Financial Services Committee, our leader, Maxine Waters, with Congressman Foster of Illinois, another Member of the committee, Mr. Brad Sherman of California, and Congressman Gonzalez of Texas, a new Member of Congress, a new Member of the committee.

"As some of you may recall, on the night of Thursday, September 18, 2008, Chairman of the Fed, Ben Bernanke said, 'Unless we act immediately, we will not have an economy by Monday.' This was Thursday night.

"The unchecked recklessness of Wall Street created the worst economic catastrophe in America since the Great Depression. Millions of Americans lost their jobs, their homes, their savings. Many families and communities still bear the scars. The President wants to take us right back to that crisis.

"Instead of fighting for hard-working families abused by our economy as he promised in the campaign, the President and his billionaire cabinet have abandoned Main Street to enable Wall Street's corrosive profiteering of the banks on the back of hard-working Americans. This Administration has unleashed a 'Wall Street First' Agenda to pad the pockets of their Wall Street friends.

"An analysis in the Wall Street Journal today finds that the President's orders will lead to a \$100 billion windfall to the six biggest U.S. banks. A \$100 billion windfall, they said. The President has moved to expose hard-working Americans to unfair, deceptive and predatory practices – perpetuating a massive con on those who thought he would stand up for them against the powerful interests. Remember what he said in the campaign?

"The President is undermining the financial security of working families while there is no transparency about how his own businesses would benefit from his new executive orders.

"With Dodd-Frank, Democrats enacted strongest Wall Street consumer financial protections in history. With the retirement savings rule, also known as the fiduciary rule, we protected our seniors and strengthened the middle class and their investments. Democrats will continue to fight for the jobs, wages and retirement security of hard-working families across America.

"Last night was the Super Bowl. If we had a score card it would say, overturn Dodd-Frank? Score one for Wall Street. The return of the fiduciary rule? Score one for Wall Street. Eliminate the Consumer Financial Protection Bureau? Score one for Wall Street. The list goes on and on.

“They and the Republicans in Congress who have said they are going to move to overturn Dodd-Frank want to take us right back to where we were that night when the Chairman of the Fed said that if we don’t act immediately – and when we took the bill to the Floor to act immediately, Republicans, by-and-large, voted against it because they said, we don’t believe in intervention. That is why we didn’t intervene to prevent this from happening with regulation, and supervision of Wall Street. And so when the time came with the TARP, they voted no because they considered it an intervention. And that is what they want to do all over again.

“A champion in this fight then and now has been our very distinguished, knowledgeable, informed, brilliant – a Ranking Member who is there for the American taxpayers, there for America’s working families, there for retail investors. Congresswoman Maxine Waters of California.”

Leader Pelosi’s Closing Remarks:

“I’d like to thank my colleagues for their valuable contribution to this discussion giving some of the history and some of the concerns that we have as we go into the future.

“I want to mention that when we put this Wall Street reform bill forward Dodd-Frank, one Republican voted for the bill, even though there were attempts to accommodate some of the concerns in the 41 hearings that Mr. Foster referenced. And when the conference report came back, three Republicans voted for it. So it is no wonder that, the Wall Street Journal is reporting today, that Republicans in Congress are ready to overturn Dodd-Frank. What happened on Wall Street was about greed and it was also about criminality. No one paid the price, except the American consumer, American homeowner, and American taxpayer. We’re not going to let that happen again. If Trump wants to put Wall Street first again, we’re not going back.

“I’m sure my colleagues would be pleased to answer any questions that you have.”

Q: Congresswoman Waters, last week you said your greatest desire is to lead Donald Trump right into impeachment. I'm wondering why it is appropriate to call for the impeachment of Trump less than a month after taking office?

Congresswoman Maxine Waters. I have not called for the impeachment, yet. He is doing it himself. The statement I made was a statement in response to questions and pleas that I'm getting from many citizens across this country. What are we going to do? How can a President, who is acting and the manner that he is acting, whether he is talking about the travel ban, the way he is talking about Muslims, his relationship to Putin and the Kremlin, knowing that they have hacked our DCCC and DNC, and knowing that he has supplied the bombs that killed innocent children and families in Aleppo. The fact that he is wrapping his arms around Putin and Putin is continuing to advance in [Crimea], I think that he is leading himself into that kind of position – where folks will ask what are we going to do, and the answer will be eventually, we have to do something about him. We cannot continue to have a president who is acting in this manner. It is dangerous to the United States of America.

Q: Leader Pelosi, do you agree?

Leader Pelosi. I'm not here to talk about impeachment. I'm here to talk about the assault that Trump is making on America's working families. Any of the things that the Congresswoman said are grounds for the displeasure and unease in the public about the performance of this President who has acted in a way that is strategically incoherent, incompetent, and reckless. That is not grounds for impeachment. When and if he breaks the law that is why something like that would come up. That is not the subject of today.

Q: Can I follow up on the subject of today in regards to Dodd Frank? Several of your colleagues – many Democrats were against the fiduciary rule?

Leader Pelosi. No, that's not true. That's not true. All of our members pitched in to say how we could improve this. And I'm glad you brought that up because our Secretary of Labor, Mr. Perez listened to everyone that our members suggested that they bring in from the private sector. And that is why some in the private sector came forward and said yes, we can live with this. This is about being honest with the American people. Should they have financial advisors who are telling him that you should make this investment because I get a bigger cut of the action? Or should they be making investments that say, this is in your interest and of course I will get my fee?

Q: Would you be supportive of the CFPB moving to a board or...?

Leader Pelosi. No, I wanted to say that's the way it is because this is what we put forth as the Protection Bureau for the American people. Make sure you understand – I hate to say this because I like to think we're community and we do things together and we do things together in the interest of economic growth in our country – but what is happening now is that President Trump and his billionaire cabinet and advisers, in his own office, who spring from Wall Street are putting forth a Wall Street First policy at the expense of the American people. For anyone listening to this on a Monday morning, or if you hear about it, make sure you understand what this means to you. My colleagues have talked about it in terms of homeownership, pensions, jobs, growth in our country.

They want to take us back, you heard what I said. They took us – with these very same policies that were referenced, their fiscal policies as well, tax cuts for the wealthiest, two unpaid for wars, the package in Medicare Part D legislation, that produced a great benefit in our country, no growth, reduction in jobs and at the same time, actions that allowed Wall Street – and I don't paint everybody on Wall Street with this, by the way. Because there are some people who understood this was wrong. But some who did not. And some had the ire of the public that no action was taken, those who were possibly engaged in criminal activity in the way they ripped off the American people.

You've heard me say it, "Public sentiment is everything," Abraham Lincoln. The public has to know that they want to take us back to that place by a person who went up there and campaigned against Wall Street. It was just a hoax, just a hoax. Because here he comes saying "We will overturn every protection that is there for you." Whether it is Wall Street reform, the fiduciary rule, most people don't know what that means, but that means who are you responsible to when you make an investment. So retail investors who are not sophisticated and who are not paying as much attention as an advisor should be as to what is happening in the marketplace.

This is really a rip off and the score so far out of everything this President has done, score it for Wall Street – he has done nothing. Where is their job creation package? They talk about jobs. Nothing. Zero. By this time in President Obama's administration, he stood on the steps of the Capitol on January 20th, 2009, "Swift, bold, action now to create jobs for the 21st Century." One week and one day later, the House passed legislation for the American Recovery and Reinvestment act. A short time after that, in a matter of days, the Senate passed a bill. So one month after the inauguration, the President had passed legislation and Congress had passed legislation that would save or create 3.5 to 4 million jobs.

So where is the job bill? In order to deflect attention from the fact that they have no job bill, they do a ban, an immoral, unconstitutional, incompetent, reckless and rash ban on Muslims coming into the country. And when that wasn't going so well, they moved up the timing of the appointment of a Supreme Court justice who will undermine the things that we are talking about here. So, while it is only a couple of weeks since the inauguration, there is complete evidence, we have seen nothing that I can work with President [Trump] on. And I'm disappointed, what he said in the campaign turned out to not be true, a hoax, and dangerous to the economic stability of America's working families. Do any of my colleagues want to address that?

Q: Are there any areas of financial regulation where you would want to work with Republicans to improve what's in the law right now?

Congresswoman Waters. You know, I am constantly asked about what are we are going to do to work with Republicans. And I basically describe over and over again, that they have the numbers in the House, Senate and the White House. What do they want to do to work with us? And honor much of the work that has been done by Democrats, for the most part, and some Republicans on these financial services issues, they claim that somehow they want to work on behalf of small businesses, on behalf of community banks. We work on behalf of community banks. We have worked very closely with community banks. We have listened to their concerns. We have addressed those concerns, and the community banks of \$2 billion dollars and less do not have to comply with most of Dodd-Frank. They have the ability to do qualified mortgages and hold them in their portfolio. We have worked with them on making sure that we re-created an exam schedule for them so that the exams were not taking place so often, that caused them to have to tie up the employees in the bank. We worked with them on extending the length of time that they send privacy notices out because they said it was costly to send them out every year.

And every time we have tried to work with the Republicans to do more things, they do not respond because the ABA, the American Bankers' Association, is in control of community banks; community banks stick with them because they believe that they need the big banks to be their advocates. And so, the big banks just use them, and keep them – hold them hostage, basically. But we work, and we still extend a hand to the community banks. As a matter of fact, we went to Mr. Hensarling and we said we could extend the protections from \$2 billion to \$10 billion and basically they said, "No. As a matter of fact, only if you will include the big banks, as we don't want any limits, whatsoever."

And so don't be fooled and don't be tricked. Everything that we tell you about the community banks, you can verify. You can verify all that we have attempted to do, all that we have done, and we still hold a hand out to work with community

banks. They know this, and if only the big banks would release them from being used then they would, of course, then could say they were working with us.

Congressman Sherman. One small thing we could work on together is allowing credit unions to make more business loans. And whether that is in the sense of lifting the percentage that they can make business loans or whether it's classifying mortgages on very small apartment buildings as not coming under that cap, there's tens of billions of dollars available to the very smallest businesses, the ones that we hang out with in our district, if we make that change. I think that might be bipartisan.

I'm still looking for a Republican to join with me in saying that we've got to change how we deal with the credit rating agencies. I regard the present structure as the cause of 2008, because they gave AAA to alt-A. And they got more business by being liberal graders. If you were allowed to give thousands of dollars to your professor, your grade would have been at least AAA. And so the Franken-Sherman amendment to Dodd-Frank got watered down a little bit in conference, it got disregarded by the SEC, but we need to see a circumstance where it isn't just the road to profits for credit rating agencies to be known as easy graders.

Q: Following up a little bit on that, as it currently stands with what you guys have seen in committee, would you be urging the members of your caucus to oppose any changes to the Dodd-Frank Act that you might see? And then just along those lines, this was a very politically motivating issue during the campaign, are you going to try and kind of carry this over or segue this into grabbing onto the atmosphere that's been surrounding the Capitol in the last couple of weeks?

Leader Pelosi. Well the first part of the question, I yield to the Ranking Member, or any of the members of the committee.

Congresswoman Waters. The Dodd-Frank bill is a huge bill with a lot in it. Are you talking about the Consumer Financial Protection Bureau? Are you talking

about [inaudible]? What are you talking about when you say, "Would you be willing to work with them to change Dodd-Frank." We listen very carefully to every concern that is identified by community banks, even by the big banks, and by any in that whole industry, Wall Street, etc. And so we take their concerns one by one, we listen to them. Sometimes we are able to do some limited modifications. We have done that.

And so we are not going to destroy Dodd-Frank. We are not going to get rid of the Consumer Financial Protection Bureau. We are not going to change what we need to do with the transparency derivatives, but we listen. And if there is any opportunity to straighten out something that may not have been written quite in a way that everybody understands, some minor modifications, etc. – we have always been willing to do that.

Leader Pelosi. I think it's important and your second part of your question is the following: What they are doing now will present a systemic risk to our economy, just as they did with this same behavior leading up to 2008. It might be instructive for you to know, and some of you do know this because you covered it at the time – just to show how cooperative we want to be to protect our economy.

On September 18, 2008, I was sitting in my office with the leadership, and I said, "You know I regularly hear from the Secretary Treasury, as Speaker (and a Leader now), the responsibility he has to report to us on the state of the market," not necessarily just the stock market, that's self-evident, but credit markets and bond markets and global markets and the rest. "But I haven't heard from him in a couple of weeks," and in that period of time we had Lehman, Merrill Lynch, and that very day – right in that 24 hour period – AIG, where the Fed was going to bail out AIG for \$80 billion dollars (which we didn't know they had, or could do), but nonetheless.

So I called the Secretary, I looked at my watch and it was 3:00 in the afternoon – because I didn't want to be too rude – but I said, "Mr. Chair, Mr. Secretary, I am just meeting here with my leadership. I haven't heard from you, could you

come in tomorrow morning at 9:00 and brief the whole leadership of the Democrats, not just me, on how you see things? Because we don't want to make any statements that might lessen confidence in the markets. We don't want to say the wrong thing here. But what is going on?" And do you know what he said? "Madam Speaker, tomorrow morning will be too late." To which I said, "Why am I calling you, not you calling me?" Because the White House didn't want Congress to know. They were hoping they could ride this thing out until the election, which they knew would be, a good chance would be Barack Obama. The meltdown would occur, and they were relieved of their responsibility. But they were responsible in terms of lack of regulation, lack of supervision, etc.

And so, they came that night instead of the next morning, it was Democrats and Republicans, Senate and House, and members of the Administration. The Administration was not happy about doing it, but when they said, "Who does she think she is?" I said, "Tell them she thinks she is the Speaker of the House. We're having the meeting. They can come, they can bring whomever they want. But we're having the meeting." After the Secretary described a meltdown of such proportion, he took us to the depths of hell, a place where Dante could never even find a circle to name. It was so discouraging. That's when I said to the Chairman of the Fed, "What do you have to say?" And he said, "If we do not act immediately, we will not have an economy by Monday."

And did most of the Republicans vote against that bipartisan solution that President Bush was advocating for? He never thought the Republicans would walk away from that, I don't think. He said, "Just bring it up. They'll vote for it. They have to vote for it." But they didn't and they were true to who they are. They don't believe in any containment of the greed and criminality of Wall Street. And that's just the way it is, and they call that the free market. We believe in the free market. But that's having Uncle Sam's collusion for your lack of responsibility to the economy. So that is where they want to take us again. Get rid of the reforms in Dodd-Frank. And thank God, we said, when we

wrote the TARP bill, that they didn't largely vote for, that they would have to pay the tax payer back.

And just as a sign of the greed of Wall Street, even when we were making the suggestion that we should contain CEO pay, the Secretary said, Secretary Paulson said, "If we contain their pay, they won't accept the bailout." Imagine that. And then subsequent to that, after the bailout, fortunately, we had protected the taxpayer in the bailout. They took the biggest bonuses that they had ever received before and since.

So, I do not know what it is they want, how much more money they need. I think they want immortality, their names on buildings, they have a severance pay of hundreds of millions of dollars, but we have to put a stop to it and the American people – to your point – have to know: this isn't political. This is economic. This is our country, our economy. So, it is not about making points politically, it is about changing the behavior of the Republicans in Congress or at least letting the public know: this is what they believe. Hold them accountable for your mortgage, your pension, your children's education, your job and the health and well-being of your community.

So, it is not about winning a political point. It is about strengthening our economy, creating jobs to create growth. And there is more to it, but I will step aside now.

Q: Is your strategy for blocking changes to Dodd-Frank the same as your strategy for blocking the Obamacare repeal? And how much will that factor into the retreat you guys have later this week?

Leader Pelosi. The question was is our strategy for stopping Dodd-Frank – let's take it to the public. Again, this is about the public interest. And while some of us were very discouraged on Inauguration Day, when we had the peaceful transfer of power to a new President, we were – our spirits were lifted the next day when millions of people across the country and even more across the world

came out and said, 'We are listening. Listen to us. We are holding you accountable – all of you, accountable.' It was a fabulous thing.

So, we believe that the more the public knows, the more accountable the Republicans will have to be on these subjects. And Mr. Crowley and Ms. Sánchez have planned a very comprehensive schedule for us this weekend. Come there. We'll tell you what we're doing at that time. But it is the public knowledge, as Mr. Green said. It is about the truth, about people knowing what is happening and how it affects them and their lives, their economic stability. And what he said in the campaign and what he is not doing now. When it comes to Wall Street versus Main Street versus working families in our country.

Okay? That's it? Anything my colleagues that you want to add on any of the questions? Mr. Foster?

Congressman Foster. One small thing on areas, things that Congress should be working on – FinTech. You know, the real threat to small community banks is not Dodd-Frank regulation. It is banking on your cell phone. And Congress has a lot that we should be doing in making sure that when we regulate FinTech, we do not rediscover all of the mistakes we have learned not to make during centuries of banking regulation. So that is an area where Democrats and Republicans should be coming together, not to generate predictable mistakes in our regulatory framework.

Congressman Green. One additional comment. Thank you, Madam Speaker. Some of this has gotten to the point where it is fatuous. It really is almost senseless because in this world of alternative facts, when persons say they want to cooperate, they really mean they want to obliterate. They want to completely eviscerate Dodd-Frank. So how can you cooperate with people who want to eliminate the legislation that was demanded by the public? We will cooperate to the extent that we can, but it is difficult when their mandate is keeping the promise they made when they said they were going to oppose

President Obama, and they are still doing it. They are still keeping their word. Thank you.

Congresswoman Waters. I want to thank all of you for being here today. When our Leader talks about informing the public, we are really talking about breaking down financial services language in ways that the average citizen would understand. When you talk about deregulation, we are getting rid of consumer protection. And so it is important for us to do everything that we can to talk about financial services in a way that connects with the public and helps them to understand the connection between the reforms and what was happening to them starting in 2008, when we had the subprime meltdown, etc.

So, I am very thankful all of you are here today. I am really thankful that you are interested in understanding not only what we are attempting to do to educate and inform the public, but to start to write about financial services issues in ways that our average Main Street citizen will understand. Thank you so very, very much. Thank you, Madam Leader.