PRESS RELEASES

Chairman Hensarling Comments on Designation of ‘Too Big to Fail’ Institutions

Washington, Jun 3 -

Financial Services Committee Chairman Jeb Hensarling (R-TX) issued the following statement today on the decision by the Financial Stability Oversight Council to designate certain non-bank financial firms as “too big to fail”:

“Today, all because of the Dodd-Frank Act, hardworking taxpayers are at greater risk of being forced to fund yet another Wall Street bailout as their government officially designates more large companies as being ‘too big to fail’. Designating any company as ‘too big to fail’ is bad policy and even worse economics. It causes erosion of market discipline. It also becomes a self-fulfilling prophecy by giving these firms market advantages over their competitors, helping to make them even bigger and riskier than they otherwise would be.

“Taxpayer-funded bailouts reward bad behavior. Taxpayers should not be held responsible for the failure of big businesses any longer. Unfortunately, Dodd-Frank codifies bailouts of ‘too big to fail’ firms into law. Our committee is working to put a stop to bailouts and end ‘too big to fail’ forever.”

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