

Congressman Jim Jordan (R-OH), RSC Chairman
Congressman Randy Neugebauer (R-TX), FSWG Chairman

WEEKLY UPDATE

December 14, 2011

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Financial Services Subcommittee on Oversight and Investigations MF Global Hearing

Last week, the Financial Services Subcommittee on Oversight and Investigations voted unanimously to subpoena Jon Corzine, former Chairman and CEO of MF Global. Corzine had been invited to voluntarily appear before the Subcommittee, but he refused the invitation through his attorney.

This Thursday, Mr. Corzine will appear before the Subcommittee in order to help identify the causes of MF Global's collapse and what happened to its customers' funds. Mr. Corzine's testimony, along with that of the Commodity Futures Trading Commission (CFTC), Securities and Exchange Commission (SEC), Financial Regulatory Authority (FINRA), the Federal Reserve Bank of New York, CME Group, and others, will help the Subcommittee to properly and thoroughly examine:

- Accountability for \$1.2 billion in missing customer funds;
- Failures of coordination by MF Global regulators;
- Failures of corporate governance;
- Expose the role access and influence played in the MF Global Collapse.

The hearing will take place Thursday, December 15th at 1 p.m.

Letter: Get the Volcker Rule Right

Section 619 of the Dodd-Frank Act restricts proprietary trading by banking entities, and requires five government agencies to issue a joint rule regarding this restriction, more commonly known as the "Volcker Rule." Last month the Department of the Treasury, Federal Reserve, Federal Deposit Insurance Corporation (FDIC), and the Securities and Exchange Commission (SEC) issued their rule proposal, which contained approximately 300 pages and asking for comment on upwards of 1,300 questions. Additionally, the U.S. Commodity Futures Trading Commission (CFTC) has not signed onto the document and has yet to issue its own proposal.

Given the short timeline for comment and the rapidly approaching implementation deadline of July 2012, concerns have been raised that affected stakeholders will not have a sufficient opportunity for meaningful comment, and that regulators will not have adequate time for study of these comments. As a result, American companies will face higher borrowing costs, which will impair profitability and impact job creation. And while the effect will be felt by all American companies, it will be most pronounced on our smaller and medium-sized businesses.

Congressman Neugebauer is leading a letter to the agencies responsible for the Volcker rule urging them to extend the comment period, extend the implementation deadline, and consider reproposing the rule after the comment period closes. To sign on, please contact Erik Johnson with Congressman Neugebauer at 5-4005, or erik.johnson@mail.house.gov. Deadline is COB Friday, December 16th.

For more information please contact Ja'Ron K. Smith, Ja'Ron.Smith@mail.house.gov.