



Consumer Federation of America  
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Americans for Financial Reform  
Accountability, Fairness, Security

November 17, 2009

The Honorable Keith Ellison  
Financial Services Committee  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Ellison,

We are writing to express our support for your amendment to the Financial Stability Improvement Act to strengthen provisions governing the staffing and responsibilities of the Financial Stability Oversight Council. By expanding the Council's duties to include important information-gathering efforts and by providing it with the independent professional staff and expert advice needed to carry out its responsibilities, your amendment would improve the ability of the Council to identify, and the regulatory system to protect against, potential risks to the financial system.

The amendment would expand the Council's responsibilities in three areas that should provide useful information to support its analysis of emerging risks: collecting and analyzing data on financial institutions and financial transactions; reviewing the methodologies used by nationally recognized statistical rating organizations in analyzing and rating securities; and conducting independent research on financial market and financial policy trends. Importantly, it would provide the Council with permanent staff to help carry out these and other responsibilities, making it less dependent on, and thus less likely to be dominated by, the Treasury Department.

The amendment also directs the Council to form an external advisory panel made up of experts on financial markets and the stability of financial systems. If appropriately composed of a diverse group of leading academics and independent economists, this panel could provide several important benefits, including: providing the Council with access to individuals with highly specialized expertise not available within the regulatory community; ensuring that the Council is kept up to date with the latest in academic and independent research; and, perhaps most important, giving voice to a wider range of viewpoints than is represented within the regulatory agencies at a single time.

This amendment offers a package of practical proposals to enhance the effectiveness of the Financial Stability Oversight Council. We are pleased to offer it our strong endorsement.

Sincerely,

Heather Booth  
Executive Director  
Americans for Financial Reform

Barbara Roper  
Director of Investor Protection  
Consumer Federation of America