



October 22, 2009

ATTORNEY GENERAL MADIGAN FORMAL REMARKS - WHITE HOUSE TELEPRESS CONFERENCE ON REGULATORY REFORM AND THE CONSUMER FINANCIAL PROTECTION AGENCY

CONFERENCE CALL: NEC Deputy Director Diana Farrell, IL Attorney General Lisa Madigan and IA Attorney General Tom Miller to Discuss Regulatory Reform

Thank you, General Miller.

Over the past year, American taxpayers have been hit with a financially devastating double whammy.

While millions of people have already lost their homes or their jobs, there are millions more that still face that prospect, and these same taxpayers also had to bail out the banking industry at a cost of hundreds of billions of dollars.

So, the need for a Consumer Financial Protection Agency has never been more apparent.

As the AG of Illinois, I've focused much of our consumer protection efforts on targeting the abuses in the mortgage lending industry that are at the heart of the economic crisis.

These unfair and deceptive practices, led to an avalanche of foreclosures that drained family's wealth, eroded our tax base and destabilized our neighborhoods.

In terms of foreclosures, the last fiscal quarter was the worst three months of all time. --

There were nearly a million homes nationwide that received foreclosure notices.

And state attorneys general know why: Our investigations of the largest mortgage lenders (FAMCO, Household, Ameriquest, Countrywide and Wells Fargo) show widespread abusive, predatory, and often discriminatory lending practices.

Responsible borrowers—both individuals and businesses—are now literally paying for the failure of federal regulators that were either unable or uninterested in protecting consumers.

The reforms in the Consumer Financial Protection Agency Act will change that – and finally make consumer protection a priority.

Now more than ever, American consumers need protection from the kinds of abusive and predatory practices that led us to this economic crisis.

These reforms are essential to preventing another financial collapse.

And it's also essential that states retain our ability to enforce our consumer protection laws.

Let's be clear, States have always had the role to safeguard our citizens, and it was the state attorneys general and state bank regulators who have been aggressively policing the lending market for years, as evidenced by our settlements with FAMCO, Household, Ameriquest, our record \$8.7 billion dollar settlement with Countrywide last year, in addition to this year's lawsuit against Wells Fargo for steering credit-worthy minority borrowers into the toxic subprime mortgages.

So I'm glad that President Obama is prioritizing protecting consumers, and I'm glad to know that we'll have a real partner in consumer protection at the federal level.

In the end, financial reform is about restoring responsibility and accountability to our financial system.

And, it is about making sure that our financial system serves the interests of hardworking families and individuals, not just those of the big banks.

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