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To: Blenkinsopp, Alexander (CFPB)
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Subject: Emailing: Quotes for Review 2 2 11
Date: Wed Feb 02 2011 10:45:45 EST
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09292010-Brady Dennis-Washington Post.docx <extracted>
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EW Briefing 9/29/2010 Cleared Quotes:

Brady Dennis/Washington Post:

"They may say no. They may say yes but then not follow through. I don't know, but this is an important first step in the conversation."

While she is seeking a principles-based regulatory approach, Warren said there will still be the need for "very crisp rules" to safeguard against deceptive or predatory practices.

"I welcome partnership with the banks, and I want to work with them to create something sustainable," she said. "A virtuous market is sustainable over time, but a market that relies on an omniscient regulator is always unstable. The idea behind the new agency is to get something that lasts."

"It is important to me that there be a clear goal for regulation."

"This is the invitation to another approach, and we'll see what they say," she said, adding jokingly that, "I am going into a room where there are forks and knives on the table."

Deborah Solomon/Wall Street Journal:

"If you're talking to the 400 top executives for large financial institutions let's talk a little turkey."

On her goal:

"Can the customer understand the product easily, assess its costs and its risks and make apples to apples comparisons – direct comparisons - among the products."

"Regulation is there to fix the places where the market can't work."

On wanting cooperation/buy-in from the industry:

"I want to work with them to create something that's sustainable. A virtuous market is sustainable over time, but a market that relies on an omniscient regulator is always unstable. The idea behind the new agency is to get something that lasts."

On the creation of the CFPB:

"It happened because American families' experience of consumer credit is something that has made them deeply angry. It's tearing a hole in the bottom of their economic boats."

Dan Wagner/Associated Press:

Obtained via FOIA by Judicial Watch, Inc.

“There are clean products and dirty products out there. There are probably some good products, on some relative scale, and some worse products. But competition works only if the customer can see it and see what those differences are – only if good products get rewarded and bad products get hurt in a competitive market.”

(The agency was created) “because the American family’s experience of consumer credit is something that has made them deeply angry. It’s tearing a hole in the bottom of their economic boats.”

Fairness to customers means “Can the customer easily understand the product, assess its costs and risks and make apples to apples comparisons – direct comparisons – among products.”

If products are understandable, we can say to financial compaies “the price is up to you. You put it in. You can explain it. What you can’t do is sell a product in a way that nobody can tell what the price is.” As opposed to piling rules upon rules, “I think it’s better for American families to clean out the fine print. That’s what drives me. I also think it’s better for financial institutions, even the big ones.”

“This is the function of regulation: Regulation is there to fix things that the market can’t. It’s not to replace the business decisions. ... This is where regulation can actually help the banks and the customers get to a better place than they can get to on their own.

“This is an invitation to another approach, and I hope they’ll work with me ... We’ll see what they say.”

Dave Lawder/Reuters:

Regarding how traditional rules-based regulatory approach raises compliance costs for smaller banks and underscores an adversarial relationship between banks and customers: "It locks in this idea that the banks are on one side and customers are on the other, as if consumer credit products are something banks do to their customers rather than for their customers. It locks in an adversarial relationship."

"The consumer agency was the tip of the spear on why financial reform was good for and would work for American families. That happened without millions in lobbying dollars. It happened because American families' experience of consumer credit is something that made them deeply angry and deeply worried."

RE: Approach for a more principles-based relationship that sets out the goal: "This is ultimately far better than the regime in which the products are still laden with incomprehensive text but there's a rule at every turn, forcing the issuers through a series of hurdles to be able to produce a product.

"It aims towards putting banks and their customers back in partnership rather than leaving them in an adversarial relationship."

"A market that relies on an omniscient regulator is always unstable. It works in the short run --

Obtained via FOIA by Judicial Watch, Inc.

sometimes -- but it can't work forever. So the idea behind the new agency is to get something that lasts."

"Layering 10,000 rules in is not going to turn this into a working relationship. Maybe that's the way we have to go. This is the invitation to another approach. I hope they will work with me."