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### Opening Statement of Rep. Henry A. Waxman Chairman, Committee on Energy and Commerce Consumer Credit and Debt: The Role of the Federal Trade Commission in Protecting the Public Subcommittee on Commerce, Trade, and Consumer Protection March 24, 2009

Chairman Rush, I want to thank you for holding this hearing. I am pleased that your Subcommittee is taking a close look at consumer protection in the area of credit and debt. This Committee has an important role in ensuring that consumers are protected from unfair, abusive, and deceptive practices throughout the marketplace, including in the credit market.

And I am pleased to welcome the Chairman of the Federal Trade Commission, Jon Leibowitz. Congratulations on your appointment, and I look forward to working with you on this and other issues before the Committee.

The current financial crisis has brought to light a host of schemes that have hurt both individual consumers and the economy as a whole: mortgages that required no money down and no proof of income or assets, payday lenders who charge 500% interest for a short-term loan, and companies that take money from individuals based on false offers to fix a credit report or save a home from foreclosure.

These schemes were allowed to happen in part because of a fierce anti-regulatory ideology over the last eight years.

This ideology held that government was the source of problems, that it posed an obstacle to success, and that it should be slashed wherever feasible. This was the ideology that led to FEMA's failures during Hurricane Katrina, billions of dollars of contracting abuse at the Defense Department, and a food safety system that could not keep unsafe peanuts and spinach off the grocery shelves.

The agencies responsible for protecting our financial system and Americans' hard-earned assets also suffered under this ideology. There was a feeling that markets should be allowed to work with little or no regulatory intervention.

We have an opportunity now to move beyond the flawed system of the previous eight years and strengthen consumer protections across the financial system. Today's hearing focuses in on the Federal Trade Commission, which plays an essential role in overseeing consumer credit. An aggressive and rejuvenated FTC could prevent unfair and deceptive practices before they become commonplace, and it could use its enforcement authority to deter fraudulent schemes.

I look forward to hearing today's testimony and to working with the Subcommittee to ensure that FTC has the authority, the resources, and the will to be an aggressive consumer protection agency.