

## **Opening Statement to Financial Stability Oversight Council**

**Mr. William S. Haraf**

**Commissioner, California Department of Financial Institutions**

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Mr. Chairman and fellow members of the Council, it is an honor to be here today representing state banking supervisors across the nation.

The financial crisis exposed the need for a regulatory body to have responsibility for identifying and mitigating emerging risks to the stability of our entire financial system. The Council's mission—to identify risks to financial stability, respond to emerging threats in the system, and promote market discipline—is critically important. I am pleased that Congress not only established the Council, but allowed state regulators to participate in the Council's activities. State regulators have important insights to offer based upon our diverse roles in overseeing an array of financial services.

Members of the Conference of State Bank Supervisors have responsibility for licensing and overseeing a broad range of financial services providers, including mortgage lenders and brokers, money services businesses, other providers such as payday lenders or check cashers, and of course traditional depository institutions. My fellow state regulators and I have the ability to identify, at the transactional level, emerging trends, practices and conditions that pose significant threats to the system as a whole.

In the mortgage lending and brokering area, for example, states were increasingly sounding alarms, enacting legislation and pursuing enforcement actions against mortgage lenders and brokers over the past decade as the subprime crisis grew. It is this kind of "early warning detection system," that makes the state perspective so valuable.

Further, I believe achieving full financial stability and effective financial supervision must be done through a coordinated effort. The Council serves as a tremendous forum for achieving enhanced state-federal cooperation and coordination to better serve the needs of our nation.

I look forward to participating in the matters coming before the Council and working with each of you as a full partner. Thank you.