

For Immediate Release: Tuesday, September 29, 2009
Contact: Oversight Committee Press Office, (202) 225-5051

Oversight Committee to Hold Hearing on the Role of Credit Rating Agencies in a Future Financial Crisis

Washington, DC – On Wednesday, September 30, 2009, Chairman Edolphus “Ed” Towns (D-NY) will reconvene the House Oversight and Government Reform Committee’s hearing to examine

what role inaccurate credit ratings played in the current financial crisis, and what regulatory changes need to be implemented to prevent a future collapse. Chairman Towns previously scheduled the hearing for Thursday, September 24, 2009, but chose to postpone after key whistleblower documents surfaced just hours before the hearing alleging serious problems at Moody’s. Towns chose to hold the hearing in order to ensure that a representative from Moody’s would be in attendance to respond to the allegations.

The hearing titled, “Credit Rating Agencies and the Next Financial Crisis,” will feature testimony from individuals with an intricate knowledge of credit rating agencies and their ability to accurately rate complex financial securities.

Inaccurate credit ratings have been cited as a major contributing factor to the current financial crisis. In 2008, the Committee held a hearing entitled, “Credit Rating Agencies and the Financial Crisis,” which examined fraudulent, careless, and troubling practices by major rating agencies that resulted in inaccurate ratings and brought our nation to the brink of financial collapse. Now, one year later, little has changed. The Committee will examine the dangers investors continue to face and assess the need for further regulation.

The hearing will begin at 10:00am in 2154 Rayburn House Office Building.

The witnesses scheduled to testify are:

PANEL I

Mr. Ilya Eric Kolchinsky
Former Managing Director
Moody's Investors Service

Mr. Scott McCleskey
Former Senior Vice President for Compliance
Moody's Corporation

Mr. Richard Cantor
Chief Risk Officer
Moody's Corporation
and
Chief Credit Officer
Moody's Investors Service

PANEL II

Senator Alfonse M. D'Amato
Former Chairman
Senate Committee on Banking

Mr. Floyd Abrams
Partner
Cahill Gordon & Reindel, LLP

Mr. Eric Baggesen
Senior Investment Officer
California Public Employees Retirement System (CalPERS)

Professor Lawrence J. White
Leonard N. Stern School of Business
New York University

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