

## Dr. Burgess Weekly Video Address September 15, 2012

### “The Federal Government is the Biggest Problem”

---

Hello. This is your congressman, Michael Burgess. You know, one of the things I like most about the weekend newspapers are the Scott Burns articles in the business section of the *Dallas Morning News*. A couple of Sundays ago, Mr. Burns published an article called, “Building the next financial crisis, one loan at a time.” Here, Mr. Burns states that the question isn’t whether we will have another financial crisis, but when it will occur. He says that the biggest clue can be found when you look at home mortgages and the current very low interest rates.

Low interest rates are good news for borrowers, but the concern comes when the interest rate returns to normal. The result, the financial institution holding the note, will be holding a loan whose market value is far lower than its face value. This could put the equity of most lenders in significant jeopardy.

You have probably heard about the Dodd-Frank Financial Resolution law, which passed two years ago. This legislation, I thought, was deeply flawed. One of the most egregious aspects of the law is it sets the stage for permanent government bailouts. Dodd-Frank allows for more bailouts of creditors of large firms. It could even encourage large firms to grow even larger, institutionalizing the status of “too big to fail.”

It also means massive growth in government and control over business. There could be a massive tax hike which will be imposed on companies, limiting a company’s ability to create jobs, and thus prolonging and potentially deepening the current recession. Look, we need more taxpayers, not more taxes. When unemployment has been over 8 percent for 43 consecutive months – we need to do everything in our power to encourage job creation, not poison the well.

The frustration I hear from you is palpable. I recognize that community banks and small lenders are having to live under unreasonable scrutiny. Look, they were never the problem in the first place. My discussions with federal prosecutors have led me to conclude that we are not equipped to prevent another meltdown from happening. I’ve said before and it turns out in so many instances, the federal government is far from the solution- it’s actually the biggest part of the problem.

Thank you for taking the time to listen. For more information about this issue and other issues before the United States Congress, please visit my website at [burgess.house.gov](http://burgess.house.gov). May God bless you and your family, and as always, may God bless Texas.