

August 16, 2012

Yesterday, the newest member of the House Financial Services Committee (HFSC), Congressman Frank Guinta (R-NH) met in Boston with the NEC Financial Services Policy Committee. On the House Committee, Guinta was just appointed to replace five-term Congressman Thad McCotter (R-MI) who recently resigned his House seat. Guinta will serve on the Financial Institutions and Consumer Credit Subcommittee and the International Monetary Policy and Trade Subcommittee.

Guinta began his comments reviewing his work on the House Transportation and Infrastructure Committee (T&I), which he left to take on his most recent committee responsibilities. He emphasized the importance of New England having an effective voice on transportation matters, noting that in national debates to allocate transportation dollars, the region often is at a disadvantage. The length of the comprehensive reauthorization extension was better than Guinta expected – at 27 months, he feels it provides a welcome degree of certainty and stability for planning regional transportation projects. Satisfied with the passage of a comprehensive transportation bill, Guinta noted that although leaving the T & I Committee, the working relationships he forged there will continue to benefit both his constituents in New Hampshire and the region as a whole.

Turning to the HFSC, Guinta mentioned that he had expressed interest in that role when he first entered office 20 months ago, but that there had been

significant competition at that time, as there was in the recent committee appointment. He pursued the opportunity vigorously, because the financial services sector is so important to New England and he believes it is critical there be a balanced representation of voices in support of the region. He believes his appointment strengthens New England's ability to advocate for fair, balanced regulation for an industry that he sees as crucial to the nation's economic recovery.

Guinta's best guess for the next chair of the HFSC is Jeb Hensarling of Texas and he expects additional turnover on the HFSC. The reform agenda in the next session of Congress will depend on the outcome of the presidential election, but Guinta expects Fannie Mae and Freddie Mac reform to be addressed first. In terms of reform GSE reform, as with many aspects of financial regulation, he noted that Democrats tend to be more cohesive in their views, while Republicans have far more dramatic differences of opinion within the party. With respect to Dodd-Frank, he doesn't see outright repeal as possible, but theorized that a repeal/replace scenario could happen, where certain elements of Dodd-Frank are retained in a new regulatory framework that replaces Dodd Frank. He also sees sector-specific regulations affecting the banking and insurance industries on the horizon in the next session, but did not mention details.

Much of the conversation revolved around new vice presidential pick, Congressman Paul Ryan (R-WI), with whom Guinta serves on the House Budget Committee. He sees Ryan as a strong candidate with a good track record of working with House colleagues. Ryan is "frugal, energetic and well-liked." If the Romney-Ryan ticket prevails during the upcoming election, Guinta believe that Ryan would be very effective conduit between Congress and the White House, primarily because of how well he works with others, regardless of party affiliation.

With respect to tax policy, Ginta clarified that while he has signed a pledge not to raise taxes, he does see a difference between raising taxes and closing loopholes in existing tax law. It is critical that the U.S. be able to compete globally, he said, and that the tax structure be a fair one.

Guinta pledged to return to the NEC Financial Services Policy Committee after the election, and strongly encouraged individual financial services firms to reach out to him as he settles into his new HFSC role.