

Remarks by Martin J. Gruenberg, Chairman, FDIC, to the Consumer Federation of America on the occasion of the Philip A. Hart Public Service Award

June 14, 2017

I would like to thank the Consumer Federation of America for this extraordinary honor, only made more extraordinary by the honor of having it presented by Senator Sarbanes.

As Senator Sarbanes noted, I have spent my career working on issues related to financial regulation, principally on the staff of the Senate Banking Committee and at the FDIC.

If there is one lesson I draw from my experience it is that the public's confidence in the banking system is not simply dependent on safety and soundness. It is equally influenced by how people are treated by the financial institutions on which they rely. If they are treated in a fair and transparent way, that will bolster their confidence. If they are treated in an unfair and deceptive way, their confidence will be shaken.

The recent financial crisis is perhaps the most dramatic demonstration of that point. The crisis was triggered by the collapse of the subprime mortgage market in the United States. That collapse was characterized by badly underwritten mortgages that were also marketed in highly misleading ways. The resulting crisis nearly caused the collapse of the U.S. financial system and deeply impacted the public's confidence. Even though the system has now largely recovered from the crisis, restoring the public's trust is an issue with which we are still grappling.

From my standpoint, safety and soundness and consumer protection have always been two sides of the same coin. Both are essential to maintaining the public's confidence in the banking system, and ultimately its stability.

Consumer Federation has been a leading advocate for consumers in our country for nearly fifty years. To receive the Philip A. Hart Public Service Award, which was also presented to Senator Sarbanes and to my predecessor at the FDIC, Sheila Bair, is something I never anticipated and that leaves me somewhat speechless.

Whatever contribution I have been able to make to a more fair and stable banking system was as part of extraordinary teams of people at both the Senate Banking Committee and the FDIC.

Everything I know about public service I basically learned from Senator Sarbanes and my colleagues on the staff of the Senate Banking Committee including Steve Harris, Pat Mulloy, Jonathan Miller and Patience Singleton.

At the FDIC, I would particularly like to acknowledge my Chief of Staff and Chief Operating Officer, Barbara Ryan, and the Director of the FDIC's Division of Depositor and

Consumer Protection, Mark Pearce, as well as Sylvia Plunkett, Liz Ortiz, Jonathan Miller, Keith Ernst, and Patience Singleton.

Thank you again to Consumer Federation. I am deeply touched by this honor.