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| **Images**  | **Sound** | **Text English** | **Deutsch/Francais/Espanol** |
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| Pix of financial crisis, subprime homes foreclosed | CB off | It’s easy to forget 10 years after the global financial crisis, how dangerously close the world was to a devastating banking meltdown. The subprime crisis resulting from failing loans in the US housing sector touched it off. The EPP Group hasn’t forgotten, and it pushed through EU legislation aimed at preventing the abuses. Among the measures: new capital and transparency requirements, a ban on shaky financial dealings called re-securitisations, and setting rules on how banks lend to each other by setting benchmarks. |  |
|  | CB off | The EPP Group’s Brian Hayes, iVice Chair of the Committee on Economic and Monetary Affairs, says regulating securitisations was crucial. |  |
| Interview | Brian Hayes, Irish MEP, on | *:02**It’s going to make a big difference in trying to get the entire money markets working again in an efficient way, reducing the risks that are there.*  |  |
|  | CB off | Repackaging different grades of debt - triple-A with high-risk junk debt – was what sparked the crisis in the US in 2008 and spread globally like wildfire.  |  |
| Interview | Hayes on | *:24**Now we have a situation, under the regulation, this would reduce the risk that is there in terms of securitisation, and it’s important.* |  |
|  | CB off | Legislation drafted by the EPP Group’s Othmar Karas, aims to make sure that investors are informed about the risks. Packaged loans turned into assets must be less complex and more transparent. Consumers benefit as well. |  |
| Interview | Hayes on  | *:45**I really think the new legislation reduces the risks that were potentially there. We’re also going to have a bigger market. Without that bigger market, we’re not going to reduce the costs of new borrowing requirements.* |  |
|  | CB off | Another key reform was money market regulation. Hayes was the EPP Group’s lead negotiator for the legislation. |  |
| Interview | Hayes on  | *4:34**On capitalisation, on supervision, they’re the key building blocks for a proper banking union.*  |  |
| Interview | Hayes, on | *4:45**We were the main instigators in looking for these kinds of pro-consumer reforms. We never, ever want to go back to the great financial crisis and the kind of cowboy attitude that roamed around some European banks.*  |  |
|  | CB off | The money market legislation imposed safeguards such as strict daily and weekly liquidity requirements and diversification limits to ensure that banks can cope with market shocks and the potential risk of a run, or panic selloff. |  |
| Interview | Hayes, on  | *3:06**The primary concern of the EPP is to make sure that we reduce the risks that were there in the bank and make sure also that the banking system works for consumers. That the banks are well-capitalised, that the balance sheets underlying the banks are properly valued….* |  |
|  | CB off | Another shock to the system was the scandal manipulating benchmarks for how banks loan to each other. It involved the London Interbank Offered Rate, or Libor. It impacted rates for firms and households alike. |  |
|  | CB off | Parliament approved legislation drafted by the EPP Group’s Luděk Niedermayer, forcing greater transparency in setting those benchmarks. |  |
| Interview | Hayes on  | *1:54**One of the reasons the financial crisis happened is that we had no means of benchmarking the banking system, the lending system and capital in general. We now have that under the new benchmarking proposal. It means we have a common system on deciding what’s good credit and bad credit, what’s a good asset and a bad asset….*  |  |
|  | CB off | The aim of all these measures: to make sure that your savings remain safe, and that taxpayers’ money is not used to bail out failing banks.  |  |
|  | CB off | It’s anyone’s guess when the next big financial shock will come. But MEPs like Brian Hayes are more confident Europe is prepared, with a common EU approach. |  |
| Interview | Hayes on | *6:29**Under the EPP, under all of the measures we have had in banking union, and the measures in the last five years on benchmarks, on money market reform and on securitisation, the principle issue on which we’ve been driving is to reduce risk… so that we have a much healthier relationship between ordinary European consumers and their banks.* |  |
| Headline |  | **No more ‘’cowboy’’ banking: making European banks stronger, safer** |  |
| Description |  | The EPP Group has led the charge to make banks safer in the wake of the 2008 financial crisis. Over the last term, EPP Group MEPs have spearheaded legislation regulating money markets, securitisations and benchmarks – which are key to making sure taxpayers won’t be forced to bail out ‘’cowboy’’ banks again. |  |
| Tags |  | Banking, financial crisis, money markets, securitisations, benchmarks, EPP Group, Brian Hayes, Othmar Karas, Luděk Niedermayer, European Parliament, EU |  |
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