



**JOINT ECONOMIC COMMITTEE**  
SENATOR CHARLES E. SCHUMER  
CHAIRMAN



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## **SCHUMER REACTS TO FEDERAL OPEN MARKET COMMITTEE RATE CUT**

U.S. Sen. Charles E. Schumer (D-NY), the Chairman of the Joint Economic Committee, released the following statement in response to the Federal Open Market Committee decision to reduce interest rates by 50 basis points:

**“When a conservative Fed drops the interest rate this much it is obvious that the economy is in some degree of trouble. But the rate cut is only one of many tools that should be used to protect the economy from the subprime fallout. The regulators and the administration can get more focused bang for the buck by allowing Fannie and Freddie to provide more financing to prevent unnecessary foreclosures.”**

**“The Federal Reserve had its hands full considering August's bad economic news - zero job growth, a weakening housing market, and a severe spike in foreclosures. The White House needs to back off its ideological opposition to using Fannie and Freddie to provide meaningful relief to struggling homeowners, which would help both calm the foreclosure storm and assuage the foundering credit markets.”**

Schumer and the Joint Economic Committee will hold a hearing **tomorrow morning**, *“Evolution of an Economic Crisis?: The Subprime Lending Disaster and the Threat to the Broader Economy”* to take a closer look at the direct and indirect economic shocks resulting from the deterioration of the housing market, **at 9:30am in Room 216 of the Hart Senate Office Building.**

**The hearing witnesses will be:**

- **The Honorable Peter R. Orszag, Director, Congressional Budget Office**
- **Dr. Robert J. Shiller, Stanley B. Resor Professor of Economics, Yale University**
- **Mr. Martin Eakes, Chief Executive Officer, Center for Responsible Lending**
- **Mr. Alex J. Pollock, Resident Fellow, American Enterprise Institute**

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