

Bank Bailout Overseer, an HLS Professor, Named Bostonian of the Year

The Harvard Crimson

By Bonnie J. Kavoussi

January 5, 2010

The Boston Globe has named Harvard Law School Professor Elizabeth Warren its 2009 [Bostonian of the Year](#) for bringing “a sense of sanity to the economic crisis” as the official overseer of the U.S. bank bailout program.

As chair of the Congressional Oversight Panel, Warren has grilled Treasury officials and sought to defend the middle class while keeping a watchful eye on the government's Troubled Asset Relief Program (TARP), which was created in October 2008 to stave off a potential collapse of the U.S. financial system.

Warren wrote in an e-mailed statement to *The Crimson* that she has been less than impressed by the results of TARP so far. She wrote that while TARP successfully calmed the panic on Wall Street, problems affecting the rest of the country such as foreclosures and constricted small business lending have “intensified.”

“Banks that were too big to fail a year and a half ago are now bigger,” Warren wrote. “Treasury was very effective at shoveling money into big banks, but it was not so effective at meeting the other goals Congress established for the program.”

Warren has advocated for the middle class in [Huffington Post columns](#) and several books, including the 2000 release “The Fragile Middle Class: Americans in Debt.”

Warren has argued for the creation of a Consumer Financial Protection Agency, which would regulate financial products like mortgages and credit cards to improve transparency and customers' understanding of their terms and conditions. She has envisioned the creation of an agency overseeing such financial products “for a long time,” according to Law School Professor Charles Fried.

President Barack Obama has voiced his support for the plan, and a bill that would create such an agency is currently moving through Congress.

The Boston Globe article describes Warren as “a burr under the saddle of official Washington.” In public statements, Warren has faulted the government—and the Treasury in particular—for funneling money into Wall Street as the middle class faces further constraints.

She has minced few words when questioning Treasury Secretary Timothy F. Geithner at quarterly hearings before the Congressional Oversight Panel.

“The Treasury has now announced three plans and clearly has not gotten the job done,” she [told](#) Geithner at a hearing last month. “What’s going to be different now, Mr. Secretary?”

In a taped interview with the Globe, Warren reserved her harshest criticism for the bankers who have been fighting “tooth and nail” against regulatory reform.

“So-called experts led us into this problem and helped craft bailouts that were very helpful to themselves. Now they want to dominate regulatory reform,” she wrote in an e-mail to The Crimson. “I think that’s wrong.”

Several of Warren's colleagues said that her recognition as Bostonian of the Year is well deserved.

"As head of the TARP oversight panel, Elizabeth Warren has been an extremely effective and influential monitor of one of the consequential economic programs in history, and in this role she has successfully and effectively put a spotlight on issues of great significance," said Law School Professor Lucian A. Bebchuk, who has written prolifically about TARP and executive pay, in an e-mailed statement from abroad.

“It’s the culmination of work she’s been doing for many years,” Fried said of Warren's performance in Washington. “She has been a champion of the financial situation of mainly families and middle-class families, so it is very natural that she is continuing that work now in Washington.”

Warren—an Oklahoma native and formerly a registered Republican—was [not always](#) a champion of the middle class, according to the Globe. But after years of study as a bankruptcy law scholar, she came to the conclusion that many families who file for bankruptcy or foreclose on their homes are not primarily at fault for the situations in which they find themselves.

Representatives at the Boston Globe could not be reached for comment on Tuesday.

Despite the roadblocks that she has faced in Washington, Warren wrote to The Crimson that she continues to believe in an improved regulatory landscape.

“There’s no question that the banks have a lot of power, but I think David might beat Goliath this time," she wrote.