
Presidential Hopeful Rick Perry Claims US to Face Another Financial Meltdown

WASHINGTON, July 30 (Sputnik) - The United States will experience another financial crisis in the future because President Barack Obama and his administration are pursuing similar policies that created the 2008 financial crisis, presidential candidate and former Texas Governor Rick Perry said in a speech in New York City. "The next crash is on the horizon, and the question is: have we learned anything from the last one?" Perry said on Wednesday. "The fact is the Obama administration is pursuing some of the same reckless policies that caused the housing crash of 2007 and 2008." On Wednesday, Perry spoke in New York City at an event hosted by the Committee to Unleash Prosperity about his economic agenda and create a more fair and prosperous economic environment in the United States. Perry said Obama is responsible for the continuation of failed policies of relaxed credit standards and down payments on homes that are too low with the assistance of US government-backed mortgage giants Fannie Mae and Freddie Mac. He said the effects of the next financial crisis in the United States may be worse, which is why market forces need to be returned to the banking system to prevent the such development. "Concentrating assets in the hands of a few giant banking institutions is a recipe for massive bailouts," Perry said. "Systemically important banks can borrow money at lower rates, giving them a substantial competitive advantage, because investors know those banks will be bailed out in the future." Perry said that the playing field must be leveled between big banks and small ones since US community banks have been affected by the regulations of the Dodd Frank Act, meant originally for big banks. He said more than 13,000 community banks have been closed as a consequence of the Dodd Frank Act, and now six US banks hold 61 percent of the US Gross Domestic Product (GDP) as opposed to the 14 percent they held 30 years ago. The Dodd-Frank Wall Street Reform and Consumer Protection Act was designed to consolidate US regulatory agencies, employ further regulation over US financial markets with emphasis on transparency, implement consumer protection reforms - including the creation of a consumer protection

agency - and create tools for dealing with US financial crises. The Act was passed in response to the 2008 financial crisis that began with the crash of the housing bubble caused by Freddie Mac and Fannie Mae allowing mortgage lenders to relax credit standards on housing loans and to relax down payments made on homes. Rick Perry served as the 47th governor of Texas from December 21, 2000 until January 20, 2015. He is a former presidential candidate from the 2012 Republican nomination race.