Given your interest in the economy, I wanted to let you know that this week the House passed on a party-line vote the final version of the House Democrats' and President Obama's "financial regulatory reform" legislation. The House had passed an earlier version of a financial reform bill, which then had to be reconciled with a competing version passed by the Senate. The final reconciled version passed this week and once approved by the Senate, will be presented to the President and enacted into law. I strongly opposed this legislation, which I believe represents yet another Big Government job killer that will do little to address the problems that caused our 2008 financial crisis, and in fact, will make future bailouts more likely.

In taking up financial reform, Congress had an opportunity and a responsibility to form a more stable and responsible financial system that ensures taxpayers never again have to come to the aid of failing Wall Street firms. Instead, Congressional Democrats drafted a bill that makes bailouts a permanent part of our financial system, fails to address the root causes of the financial crisis, and places all hope – and even more regulatory authority – for preventing another financial crisis in the hands of the same regulators who failed to see the last one coming. In addition, because of the myriad of new regulations, the bill will make credit more expensive and harder to access for American families and small businesses.

The Dodd-Frank bill failed at its most essential task - to end the era of 'too-big-to-fail.' Under the bill, large, government-favored firms will continue to operate with an explicit government backstop whether through emergency loans, federally-insured debt, or the FDIC's expanded authority to rescue their creditors if things get rough. The lesson of Fannie Mae and Freddie Mac clearly demonstrate that private companies that have implicit government backing gain a competitive advantage over other market participants, which encourages them to take on excessive risk without worrying about the cost and leaves taxpayers holding the bag when they fail. We should be doing everything we can to prevent this, not enable it. Yet, this legislation once again puts the government in charge of picking winners and losers in our financial marketplace – and leaves taxpayers on the hook. Moreover, it is outrageous that House Democrats did nothing to address the two companies at the center of our financial meltdown, Fannie Mae and Freddie Mac; instead, they are allowed to continue business as usual – business that is costing taxpayers $145 billion dollars and counting.

In addition, the creation of a new consumer protection bureau with virtually unlimited regulatory authority over the kinds of credit and investment vehicles that consumers and businesses can utilize will actually result in consumers having fewer credit options that are all more expensive. It will also threaten the viability of small businesses and small banks that serve our communities, further harming our struggling economy.

Unfortunately, this legislation is yet another example of House Democrats' efforts to empower government at the expense of individuals and free markets. Hard-working families and small businesses should not be penalized for bad decisions made in Washington or on Wall Street, and they shouldn't have to pay for future bailouts. By failing to address the real issues at the core of our financial crisis, this legislation virtually guarantees that large firms will get bigger and that taxpayers will be left paying for future bailouts. Simply put, this legislation makes credit more expensive for consumers and punishes businesses without reducing the likelihood of future bailouts.