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Finance : Financial Reform Watch “Go tell a Republican,” Rep. Frank says to complaints that Congress has failed to curb foreclosures

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Homeowners who say Congress has failed to do enough to limit foreclosures should “go tell a Republican,” Democrat Barney Frank said at a University of New Haven event on Thursday.

The Massachusetts lawmaker and co-author of the Dodd-Frank financial reform law blamed Republican opposition for the lack of stronger measures to help homeowners work out loan repayments strategies to avoid foreclosures.

Existing anti-foreclosure programs don’t work well but stronger programs have been impossible because of “the ideological opposition on the part of the Republicans,” Frank said, according to a Hamden Patch report. “You have people now who say you got to cut the deficit, you got to stay in Afghanistan, we got to stay in Iraq, you can’t raise the taxes on Warren Buffet and you have to cut the crap out of everything else.”

Frank is now the top Democrat on the House Financial Services Committee, which is led by Republican Spencer Bachus of Alabama.

Where were the auditors? – Only four accounting firms are big enough to audit the largest public companies and they have looked the other way when faced with financial wrongdoing, says Forbes columnist Francine McKenna.

“Can anyone deny that there are four firms – KPMG, Deloitte, PricewaterhouseCoopers (PwC), and Ernst & Young (auditor to Lehman) – who knew all along what was going on and never told a soul, including the SEC?”

PwC audited Taylor, Bean & Whitaker, whose top executives were convicted of a billion-dollar mortgage fraud, and it also audited Colonial Bank, a lender that participated in the fraud and eventually collapsed, McKenna says. And PwC audits the Federal Home Loan Banks, which ended up with many of the flawed mortgage-backed securities.

FDIC chairman’s farewell tour – The outgoing chairman of the Federal Deposit Insurance Corp. says Congress could hurt the U.S. financial system if it fails to give regulators enough funding and power to fully adopt the Dodd-Frank reform law.

Sheila Bair, a Republican ending her five-year term as FDIC chief, urged the Senate Banking Committee members to support financial regulators. “Without proper funding and, where needed, the confirmation of qualified leadership, the result could be needless uncertainty about the regulatory environment and failure to instill confidence in our financial markets and institutions.”

Bair leaves the FDIC job on July 8. The Obama administration has nominated FDIC vice chairman Martin Gruenberg to succeed her. House Republicans have pushed to either cut or hold flat the fiscal 2012 budgets for the Consumer Financial Protection Bureau, the Securities and Exchange Commission and the Commodity Futures Trading Commission.

Better late than never – The regulator overseeing some of the biggest U.S. banks has issued a set of foreclosure management standards and instructed each bank to conduct a self-assessment of foreclosure practices by Sept. 30.

The Office of the Comptroller of the Currency (OCC) says big banks that are loan servicers must suspend foreclosure proceedings while a borrower is in a trial-period modification; bank employees must review and sign all foreclosure documents; and banks must closely supervise third-party vendors.

In April, the OCC settled an investigation of foreclosure practices with 14 big banks, including JPMorgan Chase & Co., Citigroup, Wells Fargo and Bank of America.

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