

Obama nominates Berner for new Treasury post

Richard Berner, former chief US economist at [Morgan Stanley](#), has been tapped to run the Office of Financial Research, a new federal office charged with mining market data to help US policymakers avert potential crises.

The White House said Friday that President Barack Obama nominated Mr. Berner for a six-year term. Since April, Mr. Berner has served as a counsellor to Tim Geithner, US Treasury secretary, and has helped Mr. Geithner set up the new bureau, which is meant to help regulators maintain financial stability.

A creation of last year's [Dodd-Frank financial reforms](#), the research office was a response to what experts have said was a critical gap in policymakers' knowledge around the events leading up to the financial crisis.

Regulators failed to see how risky home loans bundled into mortgage securities spread throughout the financial system and how derivative instruments tied various companies and firms together in ways that brought many of them to the brink of failure after [homeowners began defaulting on their obligations](#).

"For far too long, those charged with keeping the banking system stable have lacked the data and analytical power to keep up with complex and constantly evolving financial markets and products," said Jack Reed, a Democratic senator from Rhode Island who helped create the new research unit. "Financial companies spend billions of dollars a year analysing and collecting data and it's about time the federal government made a modest investment in keeping up."

Mr. Reed continued: "I hope Mr. Berner can quickly be confirmed because, with each day that passes, new financial products and activities go unanalysed and could put our economy at risk."

The office has come under criticism as [the Obama administration](#) has struggled to fill its ranks with a director and employees. Several potential candidates have spurned offers to run the bureau. Many potential candidates have said they were fearful the office would be subject to political pressure from members of Congress.

The Office of Financial Research is meant to have access to sensitive market data and can compel companies and banks to turn over proprietary, nonpublic data. Critics in Congress have argued that the office is too powerful and its demands on companies could be too onerous.

Mr. Obama's nomination of Mr. Berner could give further ammunition to administration critics who argue the White House is too close to Wall Street. Several top advisers to Mr. Geithner have come from Wall Street. William Daley, Mr. Obama's chief of staff, used to work for [JPMorgan Chase](#), while Gene Sperling, director of the White House's national economic council, advised [Goldman Sachs](#) in 2008.

Thanks,

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