

AMERICAN BANKER

Holder's Admission May Be Turning Point to Breaking Up Big Banks

By: Katie Gillespie – March 8, 2013

"Attorney General Eric Holder's stunning admission that it was difficult to prosecute large banks because of the potential economic impact may be a turning point of the drive to break them up," writes American Banker's Rob Blackwell and Victoria Finkle.

"I am concerned that the size of some of these institutions becomes so large that it does become difficult for us to prosecute them when we are hit with indications that if we do prosecute - if we do bring a criminal charge - it will have a negative impact on the national economy, perhaps even the world economy," Holder said.

"I think that is a function of the fact that some of these institutions have become too large," remarked Holder. His admission is likely to shape the debate for lawmakers in the future.

"It's another glaring example that 'too big to fail' is alive and well," said Sen. David Vitter, R-La., who is co-authoring legislation to break up the big banks.

"It's pretty much an admission that Dodd-Frank didn't end too big to fail," said Mark Calabria, director of financial regulation studies at the Cato Institute.