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## Maxine Waters: More polarizing than Frank?

**BYLINE:** Russ Britt

LOS ANGELES (MarketWatch) When U.S. Rep. Barney Frank a villain to many in the Republican Party steps down after 30 years as the ranking Democrat on the House Financial Services committee in 2013, his party may well end up choosing an even more polarizing figure to replace him.

Maxine Waters, the Los Angeles-area congresswoman who once suggested the 1992 L.A. uprisings should be considered more of a “rebellion” than a riot, is the likely successor to Frank even though her appointment would be more than a year away ‘ and there are potential roadblocks.

Either way, Waters could end up leading Democratic committee members even further left than Frank, thus cutting back on what little bipartisanship exists on the two sides of the aisle in the panel.

“It’s hard to think of anyone more polarizing than Barney Frank but Maxine Waters manages to do it,” said Mark Calabria, director of financial regulation studies at the Cato Institute in Washington, D.C. Calabria also served as staff member for the Senate Banking Committee under Republican Sen. Richard Shelby of Alabama.

Calabria said that Frank could part with party doctrine when it came to making deals with committee Republicans.

“If there was a deal to be had, he would be open to it,” Calabria said. “I suspect Ms. Waters will be less so.”

Analysts say Waters has not been one to shy away from confrontation ever since she first was elected in 1990, representing sections of south-central Los Angeles and adjacent communities.

Two years after her election, she gained notoriety for calling the 1992 L.A. riots a “rebellion,” saying that the actions of those who destroyed buildings in the wake of the Rodney King verdict were “understandable, if not acceptable.”

She later was challenged for remarks she made during a speech and was threatened with mace by the committee chair. She also has been accused of demagoguery by those on the other side of the aisle.

But a more recent confrontation, questioning Waters's ethics regarding a bank that her husband was a director of and which both he and she invested in, could trip the congresswoman on her way to the ranking member's slot on the committee ' and perhaps end up chairing the panel should voters' sentiment shift.

Waters was the subject of House Ethics Committee probe last year over aid received by OneUnited Bank. OneUnited received \$12 million in Troubled Asset Relief Program funds during the bailouts of 2008 and 2009.

The Ethics panel's examination ended up on a sandbar when infighting among committee members over errors in the investigation stalled the probe. The investigation could be reopened but for now appears to be dead in the water.

Still, the issue is likely to be raised when the committee and Democrats pick a replacement.

"That will color what her prospects are," said Brian Gardner, Washington financial analyst for Keefe, Bruyette and Woods. "These things usually have a life of their own."

Gardner noted, however, that there wouldn't be much difference between Waters and other highly ranked Democrats on the committee, such as Melvin Watt of North Carolina, Luis Gutierrez of Illinois and Carolyn Maloney and Nydia Velazquez, both of New York.

"I think they all philosophically come from the same camp," he said.

Dean Baker, co-founder of the Center for Economic Policy and Research, said while Waters may end up being more polarizing than Frank, it will take her some time to rise to his stature and influence ' a task made more difficult by the fact her side of the aisle is in the minority.

"There's not all that much you can do," Baker said. But he added she'll probably try to influence the committee to do more on the foreclosure issue.

The Cato Institute's Calabria said Waters is likely to hold banks' feet to the fire, perhaps to a greater degree than Frank.

"I would see her being more aggressive," Calabria said. "A dirty little secret in Washington is that Barney was not always as hard on the banks as it seemed like he was."