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The government's efforts to stabilize the ailing financial markets will not succeed without substantial help from the finance industry, Anthony Ryan, Acting Under Secretary of the Treasury for Domestic Finance, told attendees at ICI's Equity, Fixed-Income, and Derivatives Markets Conference.

Financial players must pay particular attention to the areas of risk awareness and management, both of which were lacking as sub-prime mortgages began to falter, triggering what has become a global financial crisis, Ryan said. However, he also commended ICI and the fund industry for working around the clock to keep regulators apprised of market developments.

Ryan, a key lieutenant to Treasury Secretary Henry Paulson, said the Treasury and the Fed were "moving into the implementation phase" of the Troubled Asset Recovery Program, after Congress' passage and President Bush's signing of the Emergency Economic Stabilization Act. As program funds are allocated to relieve financial institutions of the mortgage-backed securities that are at the heart of the crisis, the government will make every effort to be "very transparent," so that all market participants can know what's going on, Ryan said. He also said the Treasury would consider using some of the \$700 billion it's been authorized to spend to help mortgage borrowers who are under water.

The Treasury also wants to establish a permanent "troubled asset response program," that would "give us the ability to protect and re-capitalize the financial system" in times of crisis, Ryan said. The Treasury has asked Congress for legislation to allow it.

Ryan said he was optimistic that the capital markets would emerge from the current crisis stronger and better-regulated than before it started. "We always find solutions," he said.

To see Ryan's remarks, please visit: <http://www.ustreas.gov/press/releases/hp1182.htm>.
