



# Spotlight On Justice



## EXPERTS SAY: LIMITS ON CORPORATE LIABILITY LED TO THE SUBPRIME MORTGAGE CRISIS

*"There was a lot of legal talent hired by the industry to try to figure out ways to make sure that nobody along the chain [including Wall Street] had to suffer legal accountability."*

**-Kathleen Keest,  
Center for Responsible Lending,  
former Iowa Assistant Attorney General**



*"With civil liability threatening them, 'I have no doubt the industry would not have made those [risky] loans. They would have put controls in place.'"*

**-University of Connecticut Law Professor Patricia McCoy,  
former securities and banking attorney**

*"Clearly, broadly assigning liability would have disrupted the market considerably. Could you argue that would have been a good thing? Probably. Because it turns out people were buying stuff they didn't understand."*

**-Richard DeMong, University of Virginia Bank Management  
Professor who testified in Congress against broad liability**

Source, including all quotations above:

Eric Nalder, "Politicians, lobbyists shielded financiers; Lack of liability laws fueled firms' avarice," *Seattle Post-Intelligencer*, October 10, 2008.

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