

Oral Testimony
The Honorable Blaine Luetkemeyer (MO-03)
Member Day
House Appropriations Subcommittee on Financial Services and General Government
April 25, 2018

Chairman Graves, Ranking Member Quigley, thank you for the opportunity to testify.

For the millions of consumers and small business owners who rely on our financial system each and every day, over-regulation from Washington has meant increased fees, fewer services, and diminished access to credit. It's held back both growth and opportunity for the American people.

As Chairman of the Financial Services Subcommittee on Financial Institutions and Consumer Credit, it's a message I hear multiple times every day, whether here in Washington, back home in Missouri, or traveling through any city or state around our great country.

Through the appropriations process, the Subcommittee on Financial Services and General Government has the ability to foster broader availability of credit and promote economic freedom.

The Consumer Financial Protection Bureau, or CFPB, has buried consumers and our economy under an avalanche of regulations. To be clear, it's important to guard consumers against discriminatory practices. There's no doubt about that. Yet, in doing so, we must be cautious the enforcement pendulum does not swing too far and do more harm than good.

For these reasons, I respectfully request that the Subcommittee seriously pursue reforms to the CFPB; chief among them, the placing of the Bureau on the regular appropriations schedule. Such a move would provide greater accountability and transparency at an agency that until only very recently was neither accountable nor transparent. It's also a move the CFPB's acting director, and our former colleague, Mick Mulvaney, has said is essential.

The CFPB is not the only federal financial regulator that has harmed American consumers and small businesses. We should all work to identify ways to end, once and for all, Operation Choke Point, the FDIC and DOJ-led initiative that seeks to divorce legally-operating businesses from the financial services they need not only to do business but to survive.

For the last several years, members of the Financial Services Committee and the broader House have expressed broad bipartisan concern surrounding Operation Choke Point. The underlying problem here is significant. The Federal government should not be able to intimidate financial institutions into dropping entire sectors of the economy as customers, based not on risk or evidence of wrongdoing, but purely on personal and political motivations.

In October of last year, the Financial Services Committee passed H.R. 2706, my *Financial Institution Customer Protection Act*, by a vote of 59 to 1. That same legislation passed the House on December 11, 2017, by a vote of 395 to 2. This commonsense, noncontroversial bill would simply ensure that federal financial regulators cannot suggest, request or order a financial institution to terminate a banking relationship unless the regulator has material reason beyond reputation risk.

This legislation is so noncontroversial that the FDIC has already used its authority to put the provisions into place. For that reason, and given that the House overwhelmingly approved the measure by a near unanimous vote, I respectfully request that the subcommittee consider inclusion of H.R. 2706 in the upcoming FSGG package.

I also urge the Subcommittee to identify provisions to offer targeted regulatory relief to financial institutions. Under the leadership of Chairman Hensarling, the Financial Services Committee has advanced dozens of bills to offer targeted relief to financial firms, banks and credit unions. Where appropriate, I would urge the Subcommittee to consider inclusion of those provisions into your appropriations legislation. My colleagues and I stand ready to work with you in order to do that.

Mr. Chairman, I thank you and members of the subcommittee for consideration of these ideas, and for the opportunity to testify today. I look forward to continuing our collaboration on these issues, and to working with Chairman Hensarling and my colleagues on the Financial Services Committee on these and other efforts to promote economic independence across the nation.

With that, Mr. Chairman, I yield back.