

**Statement of the Honorable Jeb Hensarling, Chairman**  
**Committee on Financial Services**  
**Before the Committee on House Administration**  
**Funding Request of the Committee on Financial Services for**  
**the 113th Congress - 2013**

March 5, 2013

Mr. Chairman and Members of the Committee, Ranking Member Waters and I are pleased to appear before you on behalf of the Financial Services Committee. You instructed us to come up with two scenarios – one in which we take an 11 percent cut from our 2012 authorization to reflect the sequestration, and another representing a 5 percent increase over what was spent last year. I don't come before you recommending either scenario, but to comply with your request.

Congress must always lead by example in matters of budgeting, particularly as we face historic and unprecedented levels of debt. Budgets are about both limits and priorities. You have tough decisions to make in respect to both, but I am here to mainly explain our priorities and discuss how we plan to allocate these resources to better serve taxpayers, investors, consumers, and our members.

In a very real sense, the Financial Services Committee has jurisdiction over the entire U.S. financial system, including the banking system, our capital markets, housing, insurance, monetary policy, and international finance. Among the agencies we oversee are the Federal Reserve Board, the Securities and Exchange Commission, the Department of Housing and Urban Development, the Consumer Financial Protection Bureau, and several components of the Department of the Treasury.

It's well recognized that the 2008 financial crisis was the worst since the Great Depression, and most believe the underlying cause and solutions fall within our committee's jurisdiction. Whether it's examining the role of government sponsored enterprises in the lead up to the crisis, or the Federal Reserve's monetary policy, these are important issues that must be addressed as we do everything in our power to try to avoid another crisis. It bespeaks the importance of the work of the committee, and we do that through the work of 33 Republicans, 28 Democrats, and a few dozen committed staffers whose salaries comprise the vast majority of our budget.

Just like every American family has to prioritize their spending, so do we, and it is our goal to allocate our funding so we can do more with less. In preparation for anticipated cuts, we

have combined two subcommittees to streamline the workload; we put off major equipment purchases and delayed repairs and IT investments; and we refrained from fully staffing the Committee, leaving many spots vacant, until we know for certain what we can afford. However, there are certain functions that we cannot shortchange, and that's sending more jobs-growth bills through the House, communicating with those who rely on our financial system, and conducting effective oversight.

#### Increase Jobs, Reduce Unnecessary Burdens

One of the Committee's signature achievements last Congress was delivering the bipartisan JOBS Act, which will boost growth and help small businesses create jobs. I want to work with our members – both in the majority and the minority – on further bipartisan approaches to promoting economic growth and job creation. One of the best ways to find capital for small businesses is to unleash the capital that's sitting on the sidelines in our nation's small to medium sized banks and on corporate balance sheets. We will use our resources to further identify legislative solutions that will allow for the regulatory relief and economic growth that will help remove some of this logjam and get capital flowing to our small businesses again.

#### Oversight of JOBS Act & Dodd-Frank Act Implementation

Our Committee must also fulfill its commitment to effective oversight. As I just mentioned, the JOBS Act is designed to revitalize the creation of small business jobs. Our Committee will be intently focused on overseeing the Act's implementation by financial regulators.

We will also, of course, continue our robust oversight of the Dodd-Frank Act. And as you determine how to allocate resources among committees, I would argue that Dodd-Frank is equal to the President's health care law in that both are sweeping, historic, massive pieces of legislation that restructure key elements of our economy. While the Affordable Care Act expands across three committees of jurisdiction, the Dodd-Frank Act is primarily within Financial Services' jurisdiction, and we will focus our energy and resources on ensuring its proper implementation. During the 112th Congress, our committee held more than 60 oversight hearings on Dodd-Frank. We will continue this vigorous approach to oversight during the 113th Congress.

#### Connecting with Consumers, Investors, and Taxpayers

The work of our committee impacts everyone who balances a check book or opens a banking account. For instance, Dodd-Frank's 2,300 pages include more than 400 separate rulemakings that reach into every sector of our economy, every town and every wallet: from manufacturers of the latest smartphones to families trying to buy or sell a home to single moms purchasing groceries with their debit cards. Virtually no one is beyond its reach, and not everyone can come to Washington to make their voice heard.

In order to understand the full force of this massive legislation, we need to make a concerted effort to reach out to the people who are impacted. Under the leadership of Chairman Bachus, the Financial Services Committee convened hearings throughout the country to listen to the concerns of community banks and small businesses. Field hearings were held in Georgia, Wisconsin, Ohio, West Virginia, Texas and Illinois.

These hearings were incredibly valuable. They gave our members the opportunity to gather information that often doesn't make it to Capitol Hill. The hearings all echoed a common problem: Federal regulators based in Washington and bank examiners in the field are giving community banks conflicting messages and stifling an economic recovery. Increasing the number of field hearings allows our members to gather information on other issues that are impacting consumers.

Additionally, better use of technology and social media will allow us to communicate more effectively with Americans who are engaged in financial services, and a renewed focus on member education will ensure our Members have the tools needed to share the committee's business with folks back home.

In closing, we are prepared to do more with less, but we also have a plan in place if additional resources become available. Our Committee is already hard at work, and we look forward to a productive Congress addressing our nation's challenges.