SEN. BROWN OPENING STATEMENT AT MARKUP OF SWEEPING FINANCIAL SERVICES OVERHAUL

May 21, 2015

WASHINGTON, D.C. — U.S. Sen. Sherrod Brown (D-OH) – ranking member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs – released the following opening statement, as prepared for delivery, at today's markup of legislation entitled "The Financial Regulatory Improvement Act of 2015."

Brown's remarks, as prepared for delivery, follow.

Sen. Sherrod Brown – Opening Statement
Markup of "The Financial Regulatory Improvement Act of 2015"
May 21, 2015

Thank you, Senator Shelby.

Five years ago, this committee and the Congress passed the Wall Street Reform Act. Our country was emerging from a devastating economic crisis; one caused in large part by financial institutions that ran wild and regulators that did nothing about it.

By one estimate, the price tag for that crisis was $22 trillion.

Some Americans have recovered. But it is a slow process, and every household's story is different. The median net worth of African American households fell from $19,000 in 2007 to only $11,000 in 2013. And the median white household lost $50,000 over that period, according to Pew Research.

We need to be very careful not to think that all is well for the average American.

Is Dodd-Frank perfect? Of course not. We improved it in the last Congress with respect to insurance capital standards, and we should do the same today with respect to community lenders.

But we must not undermine the key protections that the law provides to prevent another catastrophe – for our economy or for our neighbor who has saved for years to buy a home.

Unfortunately, the bill before the committee today would trample on many of these protections. And it would open the door to the same type of behavior that brought on the crisis.

Many of the provisions in this bill were opposed by witnesses or committee members in the hearings over the last three months.

The President has already announced he would veto some of them.

Let's be clear -- had we taken all of the ideas from the nine full committee hearings where there was consensus among the witnesses, this bill would look very different.

Instead, this package is a one-sided wish list -- pleasing to various interest groups but lacking any provisions to help the average American trying to navigate our financial system.

In some respects, this legislation even deregulates the financial system beyond where it was in 2007 and 2008. It provides all kinds of institutions with legal immunity for the types of mortgages that led to the financial crisis.

A money center bank is not making a character loan in the same way as the Georgia Bank and Trust. Time and again we have heard that community banks should be treated differently, yet this bill would apply the same mortgage rules to all banks.

Mr. Chairman, I ask unanimous consent to submit the following letters of opposition to the bill for the record: Americans for Financial Reform, Center for American Progress, Consumer Federation of America, Center for Responsible Lending, the Leadership Conference, National Guard Association, National Consumer Law Center, National Council of La Raza, National Community Reinvestment Coalition, the AFL-CIO, and Public Citizen.

It seems that the legislation before us today was neither designed to pass this Committee with bipartisan support, nor to be signed into law by the President.

That is why my Democratic colleagues and I will offer an alternative.

Our proposal provides meaningful relief to small institutions, while also providing people help when they are deployed or when their landlord goes through foreclosure.

Instead of fighting old battles, the Committee should pass our alternative today to show it is serious about getting a community bank and credit union bill that can be signed into law.

But our work does not end there.

We have to re-authorize the Export-Import Bank and contribute our title to the highway bill -- two important measures for American workers and businesses.

The Committee has seven nominees who are waiting for a hearing, markup, and Senate confirmation.

Just yesterday, five of the world's largest banks entered into a $5.6 billion settlement for foreign exchange rate and LIBOR manipulation, and 31 states announced a settlement with the large credit bureaus to improve credit reporting.

Americans are struggling with a host of financial issues. We have $1.3 trillion in student debt. One-third of us have debt in collections. And our servicemembers – who have risked their lives for our country – continue to be illegally foreclosed upon or have their vehicles repossessed while they are on active duty.

While we consider legislation to roll back consumer protections and hobble efforts to prevent another financial crisis, we have not conducted any oversight of these and other potential abuses.

We should act now to provide regulatory relief for community banks and credit unions. And then we should consider how this Committee can find bipartisan consensus on proposals to increase consumer protections, tackle "too-big-to-fail," and even restore the SEC's authority to pursue insider trading.

We should also continue to work to find agreement on some of the other issues contained in Chairman Shelby's bill. For example, while I disagree with the approach taken in the bill, I do agree that some banks above $50 billion shouldn't be regulated like Wall Street megabanks.

Like the Chairman, I hope this is just the beginning of the conversation. We still have much work to do.