

Cmte Financial Services (R)

Contact:

McHenry: Dodd-Frank Made the Largest Banks Larger While Suffocating Smaller Institutions

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WASHINGTON – Today, the House Financial Services Committee is holding a [hearing](#) on the proposed merger of BB&T and SunTrust Bank. Despite Committee Democrats’ rhetoric, the partisan Dodd-Frank Act—which imposed overly burdensome regulations and increased the cost of compliance—has ensured the size of a financial institution equals survival.

Watch Ranking Member Patrick McHenry’s (NC-10) opening remarks [here](#) or by clicking on the image below.



Read his full remarks as prepared for delivery:

“Thank you, Madam Chair. I want to start by thanking our witnesses for appearing today.

“I’ve noticed a trend in our committee this year. We seem to be on a buyer’s remorse tour.

“First, we had a hearing with the top seven CEOs of global systemically-important banks that focused primarily on their overall size and recent growth.

“Next, the Committee advanced legislation that would limit the independence of the Consumer Financial Protection Bureau.

“Now, today, we are examining the potential merger of two institutions that have pointed to the post Dodd-Frank regulatory landscape and the cost of compliance as a driver behind this decision to merge.

“I can’t help but believe this is another example of buyer’s remorse on the part of my Democrat friends.

“It was Dodd-Frank and the resulting 400 new financial regulations that have forced consolidation in the financial services industry.

“It is my colleagues on the other side of the aisle that have made the largest banks larger while suffocating smaller institutions.

“Since the financial crisis, the Fed has approved 1,812 mergers of banks. This is the first hearing of this kind in the last 20 years in this committee.

“Despite the rhetoric, Democrats have solidified the reality that size equals survival.

“We will undoubtedly hear today about shortcomings of the bank merger process. For the record, transparency is a prerequisite for approving a bank merger. Both the Bank Holding Company Act and the Bank Merger Act clearly outline steps that must be taken.

“The Justice Department conducts a thorough review of the impact on competition and reports on competitiveness to ensure full compliance with antitrust laws.

“Federal banking regulators also conduct studies on competitiveness -- looking closely at the impact to consumers from an institution’s footprint. The merger applications submitted are publicly available, as are thousands of pages of supplemental information. Public meetings have been held and transcripts of those meetings are available online for all to read.

“I remind my colleagues that the last legislative change to the bank merger process was in Dodd-Frank. Democrats had every opportunity to address whatever shortcomings they will identify today but failed to do so.

“This hearing is being held in the middle of the merger process. Business decisions cannot be made at this time because the two institutions remain separate and are prohibited from sharing information with one another. Compelled under law from sharing that information.

“Unfortunately, I expect my friends on the other side of the aisle will ask questions the witnesses are prohibited by law from answering.

“What we do know is this: as part of the Community Benefits Plan announced on July 16th, the new bank has committed to open at least 15 new branches in LMI and/or majority minority communities across its footprint.

“That comes in addition to the staggering \$60 billion committed by the institutions to community reinvestment activities. The regulators are examining this and many other possible implications of this merger in a detail this body cannot. Mergers are grounded in procedure; concerns are not simply swept under the rug.

“I hope my colleagues understand and respect the limitations under which these folks are testifying today. I trust the witnesses will be as forthcoming as possible within the limitations set out in statute.

“Furthermore, these two institutions are in essence large main street banks doing standard, non-capital markets-oriented business. This is a standard merger process by which the Fed is well equipped to deal with the law.

“I yield back.”