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Hensarling Delivers Remarks on Bill to Improve Capital Markets

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Today, the House voted to pass H.R. 4790, the Volcker Rule Regulatory Harmonization Act with strong, bipartisan support 300-104. Financial Services Committee Chairman Jeb Hensarling (R-TX) delivered the following [remarks](#) on the floor, outlining out the bill would improve capital markets, which are vital to job creation and innovation:

Mr. Speaker, another day, another strong, bipartisan bill presented to the House by the House Financial Services Committee. I take great pride in that fact. Today, I rise in strong support of H.R. 4790, the Volcker Rule Regulatory Harmonization Act. I want to thank first the gentleman from Arkansas, Mr. Hill, for his leadership on this issue and so many other issues in front of our committee, and I want to thank his bipartisan partner, Democrat Mr. Foster of Illinois, for his leadership on his side of the aisle on this very important piece of legislation.

As a result of their hard work, this bill was reported out of our committee, Mr. Speaker, 50-10—which means 80%, 80% of our colleagues on the committee supported the legislation, including a majority of the Democrats.

Now, Mr. Speaker, we enjoy in America the deepest, strongest, and most liquid capital markets, frankly, the world has ever known. And that helps us have a very strong, pro-growth economy. Our capital markets are vital, vital to the job growth and job creating machine in America. Our capital markets provide very important funding to Main Street businesses and to entrepreneurs for short-term operations and long-term growth.

Main Street businesses, for example, like an equipment and party rental store in my district, whose owner, Arlis, told me, “the number one issue for me to keep the doors open is access to capital.” That’s why it’s so critical that we ensure that he has access to capital.

Also, I heard from Jeff of Henderson County, in the 5th District of Texas that I have the privilege of representing. He owns a farm and ranch store and he explained, “during the past year, I have been able to expand my business location and double my inventory. I’ve been able to hire additional employees as I grew. Without access to credit, things like this would not be possible.” Just two quick little vignettes about how, in our economy, capital formation, access to credit—how important that is for the job engine of America.

Again, Mr. Speaker, members of the House Financial Services Committee, on both sides of the aisle, have been working very hard on bipartisan pieces of legislation that can result in smarter, more efficient, more effective regulation that our hardworking taxpayers expect, so that we can have robust capital formation, and so that our job creators, our small business people like Jeff and Arlis can continue to grow and prosper. H.R. 4790 is just one example of this type of legislation.

Specifically, Mr. Speaker, H.R. 4790 will streamline the regulatory authority set forth in Section 619 of the Dodd-Frank Act—a section more commonly known as the Volcker Rule—and it provide a framework that will provide increased regulatory clarity for entities that must comply with the Volcker Rule.

And it does this by consolidating rulemaking authority and interpretation with the Federal Reserve Board and – for the purposes of examination and enforcement – designating the primary federal regulator for a covered entity as the sole regulator in those capacities.

The challenge here is, Mr. Speaker, is that some entities can have as many as five different regulators interpreting the Volcker Rule, and five different regulators enforcing the Volcker Rule. Sometimes they conflict with each other, Mr. Speaker, and frankly the entity doesn’t know what to do. You cannot have an economy based on the rule of law when, frankly, you don’t know what the law says. And so, the gentleman from Arkansas brings a very simple bill to the House floor that says “we’re going to have

one, one regulator in charge of interpreting the rules, and the primary prudential regulator is going to be in charge of enforcing the rule.” It’s commonsense; it creates efficiency.

Now, I want to be clear about one thing: H.R. 4790 does not repeal the Volcker Rule. I wish it did, but it doesn’t. That’s not what we’re debating here today. And, outside of providing important relief to community banks – bipartisan regulatory relief that, by the way, has already been approved by a strong two-thirds of our Senate colleagues – this bill doesn’t require any changes to the Volcker Rule itself.

I highlight this because this legislation, again, represents something that Members of Congress should agree on: that regardless of how you stand on a particular rule or regulation, it at least ought to be clear, and there ought to be one interpretation and one enforcer of the rule so you know what the rule is. You can’t abide by the rule if you don’t know what the rule is. This is only commonsense, and it can only lead to, again, stronger, deeper, more liquid capital markets to help our job creators.

So regardless of whether we support the Volcker Rule or we wish to repeal it, hopefully we can at least agree it shouldn’t be unnecessarily complex and burdensome and virtually impossible to abide by. That is what H.R. 4790 is simply trying to do.

I commend this piece of legislation to all of my colleagues; it’s a very important piece of legislation. Again, strongly bipartisan—80% of the members of the House Financial Services Committee support it. And again, I want to commend the leadership of the gentleman from Arkansas, Mr. Hill.