

Opening Statement – Ranking Member Sherrod Brown 5.12.2020 “Oversight of Financial Regulators”

I’d like to thank Chairman Crapo for following the best advice of health experts, recognizing the importance of our actions and example in this moment, and facilitating a hearing that will minimize the potential for spreading the coronavirus.

I am still concerned, however, at the reckless decision by Leader Mitch McConnell to open the Senate to session, without working on a plan to get additional help to families and communities. He’s forcing Capitol complex workers – including Capitol police officers and janitors and cafeteria workers, who don’t get driven to the basement in black SUVs, but often take buses and the metro – to go against public health authorities’ advice, and put themselves at risk to come into work.

Thank you also to the regulators who are with us today – we understand you are all busy, but it is critical that even during these challenging times the public sees that you are all transparent and accountable for your work at these agencies.

This crisis is reminding us of something that too many people in Washington and on Wall Street lose sight of – the economy is, fundamentally, about people. You can’t separate the economy from workers and consumers – the people who make this country work.

All the statistics we look at on capital ratios and inflation and interest rates – those are means to an end; not an end in itself. The end is people being able to live healthy, meaningful lives.

To be able to do jobs that give them dignity and purpose, with the security to enjoy life's greatest joys.

The way I see it, you all have two basic jobs.

First, to make sure the financial system is safe and strong, so that a public health crisis or a natural disaster doesn't also turn into a financial crisis.

Second, to make sure the banking system is actually getting money to the people who grow the real economy.

You're failing at both of those jobs.

Because let's be clear – we may not be in a “financial crisis” in the technical sense. But for tens of millions of families, this is already an economic crisis. People don't distinguish between losing their jobs because a bank became insolvent, and losing their jobs because their company went bankrupt.

And instead of devoting all of your efforts and using every tool at your disposal to help those families, you're mostly doing more of the same – giving Wall Street more of its wish list, while claiming that somehow those favors will help the rest of the country too. We know they never do.

You have been too eager to provide what you call “regulatory relief” – and what the rest of us call favors for Wall Street and the biggest corporations. Your responses to the pandemic seem to be more of the same, relying on the same old trickle-down economics that we have seen over and over again doesn't work.

When Republicans and this Administration passed tax cuts, the majority of those benefits went to the ultra-wealthy and big corporations, with a promise that money would eventually flow to workers. It didn't.

They promised if we slashed rules at banks, then banks would make affordable loans to businesses, which would then hire more workers at higher wages. They didn't – the banks and the corporations paid themselves instead.

Not only are the vast majority of workers and consumers not helped by these plans – they're also the ones who pay the price for them.

Today's tax cuts for the superrich are used to justify future cuts to Social Security – something that we just learned that this Administration is considering, coupled with cuts to healthcare and housing assistance.

The rules you issue which let banks off the hook today mean more bailouts tomorrow.

Now that we face an economic crisis on a level we have not seen since the Great Depression, it should be an opportunity for you to rethink old habits.

But as far as I can tell, you're not.

You're gutting more rules, allowing the trillions we passed to help workers to instead be used to bet on risky derivatives, or

reckless investments in oil and gas ventures that put our climate at risk.

The OCC is marching ahead with its plan to dismantle a civil rights-era law that requires banks to actually serve the communities where they do business, including low- and moderate-income communities.

This pandemic has hit black, brown, and low-income communities harder than anyone else. Let's not forget, systematic discrimination excluded many of those communities from the ability to build wealth for decades. They were the hardest hit by the 2008 financial crisis, and were left behind in the decade long recovery.

Now, it's once again black and brown and low-income communities getting hit the worst. And instead of pitching in to help, the OCC and FDIC want to gut one of the few tools we have to make sure banks pay any attention to underserved communities and rural areas.

And while the FDIC and OCC team up to keep out the investment these communities need, they're inviting in predatory lenders and financial scammers.

Comptroller Otting, you've managed to avoid questions on these decisions for nearly a year, and it's going to take more time than we have today to get through all of the OCC's irresponsible decisions over the past year, so I look forward to rescheduling a time for just you to appear before this Committee.

The NCUA is also rolling back some of the very protections we put in place in response to our last financial crisis – reducing and delaying rules that protect real estate borrowers, and lowering capital and loan reserve standards that ensure that credit unions can lend in their communities during a downturn.

Today I hope to hear your plans for actually helping the people who make our economy work. I have heard from you all over and over again over the last three-and-a-half years that if we do favors for the banks, we can trust them to pass those favors on to everyone.

That isn't going to cut it today.

I also hope my colleagues will listen to your answers and look at your record – and Wall Street's record – as we consider what we need to do get our country through this crisis. It should be pretty clear by now that we cannot rely on this Administration or Wall Street banks to save our economy, invest in communities in all parts of the country, and actually put money in people's pockets. We're going to have to do that – whether it's another round of stimulus checks, or expanding EITC and CTC, or Pandemic Premium Pay for workers, or rental assistance, or any number of other ideas. Congress needs to step in and fill the leadership void.

Thank you, Mr. Chairman.

