On Tuesday, we heard from the former executives of Silicon Valley Bank and Signature Bank.

Their obsession with stock prices and their own compensation – this profit-at-all-cost mentality – led their banks off a cliff, putting the paychecks of small businesses and workers at risk.

We heard over and over that they just couldn't have known the Fed would raise interest rates…despite regulators and other banks and investors warning over and over about interest rate risk.

That they just couldn't have predicted the social media panic… despite knowing for years that their customer bases were concentrated and posed a risk.

They just couldn't have known that growing so fast to grow their bonuses would put their bank at risk…despite repeated warnings.

It was basically "the dog ate my homework" for three hours.

These bank executives failed at banking 101. Their banks grew too fast, and they doubled down on risky bets and riskier lines of business – never stopping to worry about whether their decisions made any sense, as long as the profits kept going up and up…and up.

This spring those bad decisions finally caught up with them – though not before they tried to cash out.

Just a few years earlier, they complained about supposed "regulatory burden" that they felt was unfairly foisted upon them.

In 2015, Silicon Valley Bank CEO Greg Becker said: "Because SVB's business model and risk profile does not pose systemic risk, imposing the numerous Dodd-Frank requirements that were designed for the largest bank holding companies would place an outsized burden on us, with minimal corresponding regulatory benefit."

In 2018, Signature Bank co-founder Scott Shay said: "We find it ridiculous and unacceptable that by virtue of . . . growing one day past $50 billion, we will be burdened with rules intended for the mega 'too big to fail' banks… We strongly believe that we are not even in the same zip code as being systemically important to the U.S., to New York, or even to midtown Manhattan."

Turns out they were both very, very wrong.

On Tuesday we also heard a lot of blame placed on regulators.

We know that regulators warned these banks over and over that there were glaring risks on their balance sheets.

It’s also fair to say, though, that the regulators should’ve been tougher and stronger.

They should have “dropped the hammer,” as Senator Tester said.

But let’s think about why the hammer didn’t come down so hard. The strongest hammers were taken out of the toolbox.

It’s not a coincidence that both banks’ rapid growth started in 2019, right after the Trump bank regulators rolled back rules for banks of this size.

Bankers – like Greg Becker and Scott Shay– and their lobbyists begged for weaker rules and lax oversight.

And lo and behold, weaker rules and lax oversight are what they got.

The former FDIC Chair said that if bankers feel examiners are overstepping their authority, “let us know.”

The former acting comptroller said the OCC is trying to improve its “responsiveness to our customers, which are the banks.”

Think about that – the regulator actually said the banks are the customer.

We’re all friends here – that was the mentality.

It was the weaker rules on the books, and it was the culture they created at the top, and allowed to fester.

The former Fed Vice Chair for Supervision said, “Markets are always ahead of the regulators, and frankly that's how it should be. It's analogous to the advice that my father provided me that if you don't miss at least two or three planes a year, you're spending too much time in airports.

“If the regulators aren't a little behind the market in a few areas at any given time, they would be stifling innovation and evolution.”

In other words: it’s better to let wealthy Wall Street profiteers go unchecked because they might figure out another “creative” way to boost their stock prices and pad their pockets.

Regulators didn’t just miss the plane – they allowed a couple of crashes.

Let’s be clear: Banks are not regulators’ customers. They are not your friends. They are not your clients.

Regulators serve the public – or they should.

You are the ones who are supposed to police these powerful banks, and give people peace of mind that their money is safe.

The purpose of these hearings isn't only to place blame – it's to actually fix what went wrong.

We need to undo the damage the last administration did. And we need to strengthen our guardrails – like capital and liquidity and stress tests.

We need to address some of the issues that regulators have identified in their reviews on the failed banks – like staffing, which is a result of years of budget cuts and shifting priorities under the former administration.

The examiners and regulators need to have the tools and resources and support they need to protect the public.

We need to consider options for deposit insurance reform to protect financial stability and consumers and small businesses.

We need to improve our merger policy so that failed bank acquisitions by megabanks are only a last resort.

And we need to restore the culture of supervision that puts the public interest ahead of bank executives' stock portfolios.

Of course it's good for our communities and the economy, and the public when we have successful banks. No one disagrees with that.

What we have seen in too many cases, though, isn't just banks being successful, banks turning a reasonable profit.

SVB and Signature's profits soared – and so did their executives' compensation – as they pushed for ever more uncontrolled growth.

Profits can't come at the expense of everything else. And regulators can't allow them to.

Banks must be well-managed and resilient, and put their customers first.

We must hold everyone responsible for these failures accountable.

And at the top of that list must be the CEOs and executives who ignored warnings and run their banks into the ground.

I am working with the members on this committee—and I hope there will be bipartisan support – on legislation to strengthen your ability to hold bank executives accountable for their wrongdoing.

I want to see meaningful punishments and deterrents – not just slaps on the wrist or paltry fines that are barely a speedbump in their race for profits.

And I urge you to use all your authority to protect the public, and the many bank and credit union executives out there who are doing right by their customers, by holding failed bank executives accountable for their failures.

Our witnesses all know you work for the American people.

I look forward to hearing how we can strengthen financial stability, stay ahead of risks, and protect for the workers, families, and small businesses that power our economy.