**Crapo Statement at Economic Growth Hearing**

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, today delivered the following opening remarks during a full committee hearing on “Fostering Economic Growth: The Role of Financial Companies.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“A strong and vibrant economy is important for American consumers, businesses, and the stability of the financial sector.

“Financial companies of all sizes and forms provide critical services to businesses and consumers, helping businesses manage operations, entrepreneurs get funding to start companies, and average citizens buy a first home or deal with a financial emergency.

“As policymakers, we must diligently and frequently study the state of our economy, our regulatory framework, the use of capital, and provision of financial services.

“According to recent studies, since the crisis, large businesses are experiencing a more robust recovery than small firms and entrepreneurs.

“One of the main drivers of underperformance by new and small firms compared to their larger counterparts is their limited access to credit.

“There are direct links between post-crisis regulation and restricted finance.

“Data from the St. Louis Federal Reserve shows that a mere decade ago, small banks made more business loans compared to larger banks. That is no longer the case.

“Consumers, many on the periphery of mainstream banking, are seeing certain products and product features disappear.

“For example, one product line, short-term, small-dollar credit, is expected to see a 60-70 percent decrease in market size – according to the CFPB - with virtually no other avenue for product users to access credit.

“These are a few examples that support the need for a thorough review of our regulatory framework and the role of financial companies in the economy.

“I have been encouraged by President Trump’s executive orders and memoranda on regulations and core principles for regulating the financial system.

“The Treasury Department has begun its review, and I look forward to seeing the recommendations it puts forth on how well existing laws and regulations promote or inhibit economic growth.

“Last Monday, Ranking Member Brown and I announced a formal process to receive stakeholder proposals that will help consumers, market participants, and financial companies responsibly participate in the economy in a more effective and efficient manner.

“And last Tuesday, the federal banking regulators released their EGRPRA report, which sought to identify regulations or laws that are outdated, unnecessary, or unduly burdensome.

“Taken together, these actions will provide a clearer picture of what is working and what is not working within our financial regulatory framework.

“Today, this Committee will study how financial companies participate in the economy, with a goal of better understanding their role in fostering economic growth.

“Our witnesses have diverse backgrounds, and I look forward to hearing their unique perspectives on this issue.

“For example, why are community financial institutions important in local communities, and what happens when communities begin losing financial institutions?

“What services do financial companies provide businesses of all sizes, and are services being deployed in an effective and efficient manner?

“How can large financial companies help US-based companies compete in global markets?

“Ranking Member Brown and I have started working together on a bipartisan basis to hear the thoughts and concerns of various stakeholders and members of the committee.

“It is my hope that members will find this to be a thorough, inclusive process, and one that is structured for success.”