**Crapo Statement at Domestic and International Policy Update**

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 remarks during a hearing entitled, “Domestic and International Policy Update” with Treasury Secretary Steven Mnuchin.

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

“Today, we will receive testimony from the Secretary of the United States Department of Treasury on domestic and international policy issues.

“Thank you, Secretary Mnuchin, for testifying today.

“This is Secretary Mnuchin’s first hearing since being sworn in as Treasury Secretary in February and we look forward to today’s discussion.

“Many of this Committee’s priorities fall within the jurisdiction of the Treasury Department, including housing finance reform and development of policies to encourage a healthier economy.

“We look forward to working with you and your staff on these priorities and improving the lives of Americans.

“Housing finance reform remains the most significant piece of unfinished business following the crisis, and it is important to build bipartisan support for a path forward.

“Last week, we received testimony from Federal Housing Finance Agency Director Mel Watt.

“At that hearing, Director Watt emphasized that it is Congress that needs to act to determine the future of housing finance reform.

“The hearing reinforced why conservatorship is unsustainable. Namely, GSEs having zero capital, taxpayers on the hook for losses, and the government effectively taking all of the risks.

“A number of groups have released proposals for reform in recent months, including MBA, ICBA, the Milken Institute, several co-authors writing jointly for the Urban Institute, and many others.

“Three years ago, seven Republicans and six Democrats on this Committee voted in support of a comprehensive housing finance reform bill.

“A key priority this Congress is to build on that bipartisan legacy and these new ideas, and pass legislation that will create a sustainable housing finance system for future generations.

“I look forward to working with you, Secretary Mnuchin, and your staff at the Treasury Department as this Committee develops bipartisan legislation that will fix the broken housing finance system.

“Regarding economic growth, I am encouraged by President Trump’s Executive Order on Core Principles for regulating the financial system.

“I understand that the Treasury Department will be issuing a report identifying laws and regulations that inhibit federal regulation of the United States financial system in a manner consistent with the Core Principles soon.

“I will review this report and work with you, regulators and members of this committee to enact measures to improve our financial system.

“Financial regulation should help ensure a safe and sound financial system, but in a tailored manner to help grow and maintain a healthy economy.

“We want our nation’s banks to be well-capitalized and well-regulated, without being drowned by unnecessary compliance costs.

“Undue regulation chills innovation and imposes significant and unnecessary costs and burdens on financial institutions and companies, often disproportionately on smaller ones.

“For example, community banks and credit unions lack the personnel and infrastructure to handle the overwhelming regulatory burden of the past few years, yet in many ways are treated the same as the world’s biggest institutions.

“Our regulatory regime should be properly tailored and avoid a one-size fits all approach.

“One area I would like this Committee to address is the $50 billion SIFI threshold for regional banks.

“In prior hearings, we have discussed whether $50 billion is the appropriate threshold, and I hope that we can work together to craft a more appropriate standard.

“My goal is to work with you, Secretary Mnuchin, senators of this Committee and financial regulators to look for ways to improve regulation and foster economic growth, while maintaining resiliency in the economy.”

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