

Chairman Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
February 5, 2025 at 10:00 AM

Good morning and thank you all for being with us today.

We're here to address an issue that strikes at the core of what it means to live in a free and fair society: access to financial services.

Every federally legal business and law-abiding citizen deserves to be treated equally, regardless of political views or ideological leanings.

This is an issue that is deeply personal to me.

When my grandfather was growing up in the Jim Crow South, banks did business with people they felt looked the right way – based on the color of their skin.

One's ability to get a loan to finance their home or start a business was based primarily on the color of their skin. And in the 1940s, my mother experienced the same redlining that has been persistent, pervasive, and unfortunate for decades.

Thankfully, our nation continues to evolve in the right direction.

And in the 1990s, when I was starting my small business, I went to a bank and looked for an opportunity to get a loan. I'll say, without any question, at that time as a kid growing up in poverty in a single parent household my best asset – Mr. Ricketts – was a 1990, ten-year old car with 253,000 miles. One would not consider that an asset, perhaps a liability, but it was my only means of transportation. And I will tell you, without a doubt, for me, it was an asset.

The bank, however, helped me completely understand it was not. However, in those days someone could get a character loan, because of your time in a community, because of your relationships with local and community banks. Because of that, not only was my financial life changed, not only did my American Dream become a reality, but more importantly, my mother's American Dream became a reality.

We saw the strengthening confidence in our banking system, because things had changed in the right direction.

With that loan everything seemed to get better.

Had I not gotten that line of credit, I may not be here chairing this committee today.

You see my story is so consistent with so many other Americans story that really reflects positively on the American Dream.

In this country, access to credit is one of the cornerstones of building your American Dream.

Owning a home and starting a business are challenging journeys filled with complexities, and achieving success is never a guarantee, nor should it be.

That's why access to financial services is so important.

The United States is home to a vast competitive network of banks and payment providers, creating one of the most robust and diverse financial services ecosystems on the planet.

It is this incredible landscape that offers countless opportunities for homeowners and entrepreneurs to build a healthy foundation and make strides toward achieving their version of the American Dream.

However, it is incredibly alarming and disheartening to hear stories about financial institutions cutting off services to digital asset firms, political figures, and conservative-aligned businesses and individuals.

Under the Biden administration, we've seen the rise of what many are calling Operation Chokepoint 2.0, where federal regulators exploited their power, pressuring banks to cut off services to individuals and businesses with conservative disposition, or folks aligned with industries they just didn't like – like the color of one's skin in my family's history.

I wholeheartedly believe that debanking someone over their political ideology is un-American and goes against the core values that our nation was founded on.

Today, we'll have an opportunity to hear from Anchorage Digital's CEO, whose OCC-chartered bank was debanked, Old Glory Bank's CEO, who started a bank to serve those who had been debanked, and from a legal expert with extensive experience navigating these regulatory abuses, and from a policy expert at the Brookings Institution.

This hearing will also examine how practices similar to the original Operation Chokepoint have persisted, despite assurances that they would end.

We'll investigate the role both regulators and financial institutions have played in these harmful practices, which hurt not just businesses but also consumers and our entire economy.

This issue should concern every American, regardless of political affiliation and that's why I am committed a bipartisan solution to stop this form of discrimination.

This hearing is just the beginning.

We are here to shine a bright light on these unacceptable practices and to hold those responsible accountable. The message is crystal clear: no regulator, and no bank, is above the principles of fairness and market access.

Speaking of shining a light, I was so glad to see that just a couple of hours ago, the FDIC under President Trump's leadership released a fresh set of never-before-seen supervisory documents, which further prove that Chokepoint 2.0 was real.

I will be going through the documents in greater detail, but rest assured for those in this room, and those watching at home, they paint a disgusting and disheartening picture of abuse.

As Acting Chair Hill characterized them, "these and other actions sent the message to banks that it would be extraordinarily difficult—if not impossible—to move forward with crypto related activities."

I commend the new FDIC leadership for its commitment to transparency, but it is a shame that it took an election – an election – for the agency to begin following the laws of our country.

Thank you. I look forward to hearing from our witnesses and working with colleagues on both sides of the aisle to stop debanking and protect every American's right to participate fully in the economy.