

Crapo Statement:

Many community banks and credit unions have tried to fill the lending gap in rural communities caused by the credit crisis. Even with these efforts, it is apparent that many consumers and businesses are not receiving the lending they need to refinance their home loan, extend their business line of credit, or receive capital for new business opportunities. Today's hearing will assist us in identifying these obstacles.

As we began to explore options to modernize our financial regulatory structure, we need to make sure our new structure allows financial institutions to play an essential role in the U.S. economy by providing a means for consumers and businesses to save for the future, to protect and hedge against risk, and promote lending opportunities. These institutions and the markets in which they act support economic activity through the intermediation of funds between providers and users of capital.

One of the more difficult challenges will be to find the right balance between protecting consumers from abusive products and practices while promoting responsible lending to spur economic growth and help get our economy moving again. Although it is clear that more must be done to protect consumers, it is not clear that bifurcating consumer protection from the safety and soundness oversight is the best option. If that is not the best option, what is and why? It is my intention to explore this topic in more detail with our witnesses. Again, I thank the Chairman for holding this hearing and I look forward to working with him on these and other issues.