

# Speaker Ryan: Financial reforms focused on growth and opportunity

Posted on Tuesday, May 22, 2018

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Today, the House will vote on the Economic Growth, Regulatory Relief, and Consumer Protection Act, sending to the president ideas put forward by Chairman Jeb Hensarling (R-TX) and the members of the House Financial Services Committee to provide relief for consumers and community financial institutions.

Indeed, this bill takes the House's approach to regulatory reform, striking a balance between ensuring a safe and sound banking system and promoting economic growth. It is an important part of our plan to untangle financial regulations from their hold on our economy, and bring common sense and financial opportunity back to communities across the country.

Here are some of the key changes this bill will make to improve our financial system:

- **Regulatory Relief:** Under Dodd-Frank, regulations have disproportionately impacted smaller banks, including through spiked compliance costs. This bill raises the threshold for banks that are required to comply with Dodd-Frank's strictest prudential standards—regulations that can lead to higher cost of capital that ultimately translates into higher costs for consumers. Smaller banks will no longer be required yearly participation in Federal Reserve stress tests and will operate under a streamlined capital structure.
- **Enhancing Consumer Protections:** This bill strengthens and creates protections for homeowners, consumers, and those with student loans. It also includes important provisions for veterans and servicemembers and promotes financial literacy.
- **Improving Access to Credit:** Access to credit enables participation in a growing economy: from small businesses that need start-up capital to families looking

to take out a mortgage. This bill will help facilitate lending at credit unions and small- and medium-sized institutions, which do the majority of the country's small business lending. It also amends mortgage rules so that more creditworthy borrowers will have the chance to own their own homes. This is especially critical since both credit to middle-income families and small business lending have been diminished following the passage of post-crisis reforms.

- **Encouraging Capital Formation & Enriching Market Liquidity:** The bill amends the Volcker Rule to exempt banks with under \$10 billion in assets and smaller trading portfolios. This rule has proven difficult to implement and could lead to deteriorated market liquidity, posing potential risks to the financial system in downturns. The bill also relaxes certain rules on securities trading, to ensure capital markets continue to be a reliable source of financing for U.S. businesses.

The country's smaller institutions play an integral role in our financial system, facilitating lending and retail banking services. Finally, they're getting the relief they need.