

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
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April 9, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

As the Committee holds the hearing, “Holding Mega Banks Accountable: a Review of GSIB Banks after the Financial Crisis” the U.S. Chamber of Commerce encourages you to consider the significant benefits these financial institutions provide to businesses and to the U.S. economy. The Chamber strongly advises against any new requirements that make it more difficult to obtain financing and access the capital markets.

The Chamber supports a stable financial system to meet the financing needs of American businesses. The banking system has significantly improved its ability to weather economic downturns. Large banks now hold significantly more capital to ensure they withstand losses, and new liquidity requirements ensure banks can meet the demands of a future crisis. However, additional regulation is not without its drawbacks.

Large banks help our economy prosper. The Chamber recently completed a survey of more than 300 corporate financial professionals, finding 62 percent of businesses believe that banks with a national or large regional footprint are efficient at offering a wide spectrum of services and can leverage economies of scope to meet their needs. Furthermore, many businesses require the expertise and reach of a global bank for activities like accessing the capital markets and trade financing.

While Main Street businesses benefit from a regulatory structure that allows large banks to efficiently meet the financing needs of their customers, an improper balance in such a system can have adverse effects. Some financial regulations on large U.S. banks also impose costs on Main Street businesses and throughout the entire economy. According to the Chamber’s survey, 45 percent of businesses report absorbing higher costs of banking services and loans in recent years, while 28 percent report increasing prices for their customers as a result of financial regulation.

Thank you for taking our views under consideration. We are prepared to work with you to ensure that our economy maintains stable and vibrant capital markets that can meet the needs of American businesses.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley". The signature is fluid and cursive, with a prominent loop at the end.

Neil L. Bradley

cc: Members of the Committee on Financial Services