



Rep. Tom Emmer on Congressman Emmer speaks in the Subcommittee on Consumer Protection & Financial Institutions 9.29.21

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REP. TOM EMMER:

minutes for his questions. Thank you, Chair Perlmutter. Before I begin my remarks, I also want to thank Mr. Luchtermeier and Mr. Reuter for bringing up the compliance and privacy concerns of requiring financial institutions to report transactional data to the IRS on all accounts with \$600 or more. I led a letter with 141 of my colleagues on this issue and we are watching it very closely. As we convene today to discuss modernizing financial services institutions, I implore my colleagues to think outside the box on how Congress can assist in improving the manner in which consumers access financial products and services because, well, that's what we're here for today. Congressman Perlmutter, I'd like to recognize you for a moment for your work as the co-lead on our bill, the Credit Union Governance Modernization Act, a bill that thoughtfully revisits antiquated regulations that prevent credit unions from doing what they need to do, serve their communities. I'm happy to see this bill is noticed in this hearing because it revises the procedure for expelling members from a federal credit union to make it safer for the members and employees. It's imperative that we consider this bipartisan legislation in this committee. Financial institutions have the important responsibility of providing safe, reliable financial services for Americans across the country. But what happens when a credit union member makes threats of violence to other members or the credit union's employees? What happens when a credit union member repeatedly deposits fraudulent checks and jeopardizes the stability of their credit union? What happens when a member damages credit union property and places other members and employees in harm's way? Well, right now, due to the antiquated regulations that exist, it would be hard to remove members who make credit unions unsafe. My bill revises these regulations and crafts a process with an emphasis on due process and respect for members' ownership in the credit union to remove dangerous members so credit unions can best carry out their obligation, again, to provide safe and reliable financial services for Americans. We really have to move banking into the future. And I guess with that, Ms. Hughes, if you don't mind, thank you, by the way, to all the witnesses for being here today and for your time and participation, your expertise. Ms. Hughes, I want to direct this to you. Given the issues I just addressed, do you believe there is cause for a legislative solution like the Credit Union Governance Modernization Act to ensure credit union safety as credit unions provide financial services to their communities?

MS. HUGHES:

Congressman Emmer, I have to apologize and tell you that I have not read that bill. So I'm not going to be able to comment about it very specifically, but I would say that the credit unions are a little bit different, but the idea that banks and credit unions cannot protect themselves from dangerous members is just appalling. The question, then, is how do you establish the parameters, if you want to legislate this, that will not have an unduly adverse effect on small businesses that have licenses from the states and the communities that are part of the fabric on Main Street in many communities? How will we fashion this? And so that's why I need to read the bill. And perhaps we can have an offline conversation about the bill, if you remain interested in my views about it.



REP. TOM EMMER:

Well, just so everybody on this panel knows, because I know there's been a lot of techie stuff talked about, this is kind of more like meat and potato stuff. The antiquated rules as Chair Perlmutter will tell you, and I'm going to tell you right now if I can do this in a streamlined fashion, would require a vote of the entire membership to deal with a member who is making violent threats against other members and or credit union employees who's threatening damage or committing damage to credit union property. This seems to be an antiquated way and frankly, very difficult way to expel a member who is presenting these dangers to credit union employees and their customers. So what this bill does is it streamlines that process while protecting the due process concerns so that they can make a quick decision under the right circumstances and make sure that everybody is safe and the credit union is protected. So I do hope you have a chance to read it. I think you'll be supportive of what we're doing. And again, Chair Perlmutter, I thank you for your work with us on this bill and thank you for the time today. I yield back, gentlemen.

CHAIR PERLMUTTER:

Yields back. I have read your bill and it is meritorious and it should be passed. That's my opinion.

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