Rep. Tom Emmer on Emmer Speaks in Support of the Systematic Risk Designation Improvement Act

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REP. TOM EMMER:

** I thank the chairman for yielding. Mr. Speaker, 10 years ago some of America's largest financial institutions failed, resulting in near collapse of our entire financial system. The experience destroyed businesses, ruined lives across the country, and left fear and uncertainty in its wake. Congress set out to prevent a future crisis by requiring enhanced supervision and regulation of some of the biggest financial institutions in the country by passing the Dodd-Frank Act. In Dodd-Frank, Congress defined the largest financial institutions as quote, systematically important financial institutions, more commonly referred to as SIFIs, with those with more than 50 billion in assets. The goal of preventing our nation's largest financial institutions from failing and bringing down our entire financial system is laudable. The problem, however, is Dodd-Frank's definition of what constitutes a SIFI, the 50 billion asset threshold. In fact, the creator of the threshold and former chair of the Financial Services Committee, Barney Frank, admits the threshold is arbitrary and he supports changing the threshold. H.R. 3312, the Systemic Risk Designation Improvement Act, removes the arbitrary asset threshold and instead will classify the largest financial institutions by their activities. Differentiating between stable activities and those that could potentially threaten the financial stability of the United States is a more accurate way to identify and monitor risk. I ask all my colleagues to support this important and appropriate policy change to ensure the continued stability of our financial system by passing H.R. 3312.