

Rep. Grimm Statement for the Record

May 18, 2012 Financial Institutions hearing

Thank you Chairman Capito for calling this hearing to examine the impact of section 171 of the Dodd-Frank Act, known as the Collins amendment, as well as my legislation, HR 3128. I'd also like to thank our witnesses for testifying, especially Mr. Richard Wald, from Emigrant Bank, which has served my constituents in Brooklyn and Staten Island for over 150 years.

HR 3128 would adjust the date that regulators must use for determining if a bank holding company falls under the exemption in the Collins Amendment which allows them use Trust Preferred Securities from December 31, 2009 to March 31, 2010. In order to be granted the exemption, the institution must have assets under \$15 billion on the statutory date.

This change will help to ensure that smaller institutions are not needlessly robbed of capital. Such a loss of capital will have a direct impact on lending capacity. At a time when our economy is still struggling to recover, this loss of lending capacity will ultimately lead to a loss of jobs.

For example, it is my understanding that Emigrant Bank would see its Tier One capital decrease by \$300 million. Depending on the types of loans, this could lead to a decrease in the bank's lending capacity in the billions of dollars. This would have a very detrimental impact on my constituents who rely on banks like Emigrant to finance various projects and business throughout the New York area.

I believe that the HR 3128 is a simple, common sense solution and I would like to thank my colleagues for working with me on this issue. Specifically I would like to thank the ranking member, Mrs. Maloney, as well Mr. King, Mrs. McCarthy, Ms. Hayworth, and Mr. Meeks.

In closing I again thank the Chair for holding this hearing and I yield back the balance of my time.