

Opening Statement of Representative Carolyn Maloney  
Capital Markets Subcommittee Hearing on “Understanding the Effects of the  
Repeal of Regulation Q on Financial Institutions and Small Businesses”  
March 1, 2012

Thank you and welcome to the panel.

Today’s hearing will look at the repeal of Regulation Q which was included in the Dodd-Frank Financial Reforms we enacted in 2010 and has been law since July 2011. Reg Q was a component of Glass Steagall and prohibited banks from offering interest bearing business checking accounts.

Since 1979 efforts to repeal Regulation Q have been introduced in this chamber over 20 times by members of both parties, including one by the Chair of this subcommittee.

I and many Democrats, co-sponsored the Chairlady’s bill, which passed by a 392-25 margin.

Similar bills have passed 7 other times with overwhelming bipartisan support.

The Federal Reserve and proponents of the repeal have found that it will strengthen the banking sector, attract funds from other sectors of the financial system, and provide greater clarity in the market.

So I guess I would say I am a bit confused why we are here re-litigating an issue that has been widely accepted and has become law.

While I understand that there are some concerns about the competitive disadvantage that paying interest on business checking accounts may give to some institutions over others, I believe we can spend our time discussing other matters. And I think both sides would agree.

The American people need relief from the havoc that this most recent economic crisis has wreaked on the housing market and employment conditions.

There are over 40 legislative proposals pending before this subcommittee that could help to do just that.

I mean no disrespect to the witnesses that have agreed to be here and testify before us. We appreciate your willingness to do so.

I thank the Chairman and I yield back the balance of my time.