

**Congressman Joe Baca**  
**Opening Statement – Markup Financial Services Committee**  
**November 16, 2005**

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I would like to thank the Chairman and Ranking Member for holding this markup today.

I would like to take this time to highlight the HR 3505, the Financial Services Regulatory Relief Act which I have worked on with my colleagues on the Financial Institutions Subcommittee.

I support this bill. The House Financial Services Committee has been working on this legislation since 2001 – and these financial institutions need regulatory relief even more today than when this process started four years ago.

I would especially like to thank the Chairman and Mr. Henslerling for including a very important provision in Section 307 of this bill which expand the jurisdiction of credit unions to offer check cashing and remittance services to non-members within their field of membership.

I care a lot about this issue.

During the last two Congresses I introduced the Financial Services for All Act (H.R. 1003) which would allow all individuals to be able to cash a check or send a money transfer abroad through their local credit union, regardless if they are a member or not.

The language in Section 307 is smaller in scope than my bill, but it accomplishes the same goal by expanding credit union services to nonmembers.

As you know, credit unions are restricted to serving their members and potential members must come from within their field of membership.

Some credit unions – like Southern California Edison Federal Credit Union in my district – can only serve the employees and families of the sponsor company. Others – like Arrowhead Credit Union which has a community charter –can only serve individuals in the San Bernardino and Riverside Counties.

By opening up the market to credit unions this provision will help to increase competition and drive down the cost of these services.

At the same time, it opens the doors to the financial mainstream to many underserved individuals.

Mr. Chairman, a majority of my constituents are working class. 60% are Hispanic. And many do not have a relationship with a mainstream financial institution – be it a bank, thrift or credit union.

In fact, research shows that 10 million Americans are unbanked and nearly four in ten Hispanics do not have access to traditional financial services.

These unbanked individuals are often victims of scams by check cashers and payday lenders who charge outrageously higher rates for remittance and other services.

Check cashers and pay day lenders sometimes charge as much as \$45 to transmit \$300. Credit unions generally offer the same service for about \$14 through the IRnet (International Remittance Network).

This provision will help lower the cost of these services and empower these individuals with the tools they need to open a bank account, start saving, building credit, and ultimately achieving the American dream.

H.R. 3505 also includes many credit union provisions that were in the Credit Union Regulatory Improvement Act of 2005 (CURIA), which I cosponsored. At last count there were 103 cosponsors of the CURIA bill.

I understand that the member business lending cap and the prompt corrective action provisions were left out of H.R. 3505, and respectfully ask the Chairman to consider these items in future meetings. I believe both are fair provisions which merit this committee's full consideration.

Overall, I think HR 3505 is a balanced bill providing regulatory relief for credit unions, banks and thrifts and I look forward to working with my colleagues to see this bill get passed into law.

Thank you.