

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: March 10, 2017

Re: March 15, 2017, Financial Institutions and Consumer Credit Subcommittee Hearing entitled “Ending the De Novo Drought: Examining the Application Process for De Novo Financial Institutions”

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The Subcommittee on Financial Institutions and Consumer Credit will hold a hearing entitled “Ending the De Novo Drought: Examining the Application Process for De Novo Financial Institutions” at 2:00 p.m. on Wednesday, March 15, 2017, in room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following witnesses:

- Mr. Ken Burgess, Chairman, FirstCapital Bank of Texas, on behalf of the American Bankers Association
- Mr. Ken Krueger, Chief Executive Officer, Lutheran Federal Credit Union, on behalf of the National Association of Federally-Insured Credit Unions
- Mr. Patrick Kennedy, Managing Partner, Kennedy Sutherland LLP, on behalf of the Subchapter S Bank Association
- Democrat Witness TBD

The number of new, or “de novo,” bank and credit union charters has declined to historic lows since the passage of the Dodd-Frank Wall Street Reform Act (P.L. 111-203). From 2010 to 2016, there were only five new bank and 16 new credit union charters granted. In comparison, between 2000 and 2008, 1,341 new banks and 75 new credit unions were chartered. With this hearing, the Committee will scrutinize recent trends in de novo entry, the current regulatory framework surrounding the formation of new banks and credit unions, and the impact of

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reduced new bank and credit union creation on consumers and the broader U.S. economy.

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