

January 22, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters:

As we begin the 116th Congress and the process of organizing the Financial Services Committee under your chairmanship, we have a historic opportunity to work together to help address the concerns of the American people within our jurisdiction. As you know, the challenges we face are great – spreading economic growth and opportunity, promoting consumer choice and affordability in financial products, encouraging innovation and investment in our markets, safeguarding personal information, and fighting corruption, waste, fraud, and abuse. Committee Republicans stand ready and willing to work with you to take on these challenges and develop commonsense solutions that benefit hardworking Americans and strengthen our economy.

To help accomplish our shared goals, I have assembled a list of some of the critical areas for hearings that the Committee should prioritize during the first months of the new Congress. These hearings will be vital to helping ensure the strength and stability of the U.S. financial system and the global competitiveness of American job creators. These topics include:

- A hearing on Britain's "Brexit" withdrawal from the European Union and its impacts on the U.S. economy and the international financial system to examine the effects of Brexit on unilateral and multilateral agreements and its potential systemic risk.
- A hearing on the Export-Import Bank and American global competitiveness to examine the role of the Bank and its impacts on the global competitiveness of U.S. companies and U.S. job creation.

- A hearing on cybersecurity in the financial sector to examine the readiness of our financial sector and the U.S. government to protect digital consumer accounts and personal information against fraud, misuse, and unauthorized access.
- A hearing on China's debt trap to examine Chinese resistance to transparent disclosure in its lending and discuss the implications of China's financing decisions in terms of the IMF, World Bank, and global systemic risk.
- A hearing on foreign investment and venture capital in today's global economy to evaluate how Treasury is implementing the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) and the impact it is having on startup capital formation for America's small businesses.
- A hearing on scheduled reductions to the Federal Reserve's balance sheet, specifically to examine potential strategies for unwinding crisis-era asset purchases in a way that does not create volatility to our financial markets.


Additionally, the Committee must provide oversight and ensure accountability for consumers to ensure everyone has fair and transparent access to the financial products they need. Hearings that would help further that objective include:

- A hearing on the National Flood Insurance Program (NFIP) to explore proposed reforms that could have a significant impact on the affordability, availability and long-term solvency of the NFIP.
- A hearing on the modernization of the Bank Secrecy Act and Anti-Money Laundering (BSA/AML) regulatory regime to investigate the duplicative nature of the current rules, highlight the need to modernize reporting system in the digital era, and strengthen our ability to target criminal activity.
- A hearing on the Terrorism Risk Insurance Act (TRIA) to provide oversight of the existing program and understand the evolving private insurance market and build consensus in advance of the program's expiration.
- A hearing on the government-sponsored enterprises and the role of the federal government in mortgage finance to explore paths to ending the government conservatorship of Fannie Mae and Freddie Mac.
- A hearing on the regulation of fintech, specifically to examine how the major U.S. financial regulators have started offices of innovation and pilot programs to encourage innovation in financial services and evaluating the strengths and weaknesses of that current framework.

- A hearing on the continued oversight of the Financial Accounting Standards Board (FASB) and its Current Expected Credit Loss Accounting Standard to follow-up on the December 2018 Financial Institutions Subcommittee hearing on the matter and examine alternatives.

While by no means an exclusive list, these hearings would give the Committee – especially its newest Members – the opportunity to better understand the complex legislative landscape we will face this Congress. I look forward to working with you on these and other items throughout the 116th Congress.

Sincerely,



PATRICK MCHENRY
Ranking Member