

**OPENING STATEMENT OF REP. SPENCER BACHUS
HEARING ON H.R. 3951, THE FINANCIAL SERVICES
REGULATORY RELIEF ACT OF 2002
APRIL 25, 2002**

The Subcommittee meets today for its second hearing on H.R. 3951, the Financial Services Regulatory Relief Act of 2002. This bipartisan legislation was introduced last month by our colleagues on the Subcommittee, Mrs. Capito and Mr. Sandlin. I am proud to be an original cosponsor of the bill, along with our Chairman, the gentleman from Ohio, Mr. Oxley.

At our first hearing on H.R. 3951 last month, the Subcommittee heard testimony from a wide range of Federal and State banking regulatory agencies, whose technical assistance and expertise have been invaluable to the Committee in the development of this legislation. Having heard from the **regulators**, today we will hear from the **regulated** – those institutions that must contend with the reams of bureaucratic red tape that issue forth from this city every year. Testifying will be five of the leading financial services trade associations, representing large banks, small community banks, savings institutions, and credit unions.

As Chairman Oxley and other Members pointed out at our first hearing on this legislation, the regulatory burdens shouldered by depository institutions increased significantly last year with the enactment of the anti-money laundering provisions of the USA PATRIOT Act. Just this week, the Treasury Department issued new regulations implementing a key provision of the PATRIOT Act, requiring financial institutions to have in place programs designed to detect money laundering and terrorist financing. In testimony before this Committee, the FBI and other government agencies have praised the financial services industry for its cooperation with law enforcement in the post-September 11th investigations of al Qaeda and other terrorist organizations operating in this country.

It has often been said that banks and other financial institutions are our nation's first line of defense in the financial war on terrorism that the Bush administration is waging so effectively. Last week's government alert – warning that terrorists might be planning attacks against U.S. financial institutions in the Northeast – brought home the banking industry's front-line role in stark terms. So as we consider this important legislation to give financial institutions and their customers much-needed regulatory relief, we should also take a moment to recognize the very real contributions to homeland security made by vigilant bank tellers and other financial services professionals across this country.