



**Opening Statement of
Rep. Mike Coffman
Chairman, Subcommittee on Investigations Oversight and Regulations
House Committee on Small Business
“Open for Business: The Impact of the CFPB on Small Business”
July 28, 2011**

Good Afternoon. July 21, 2011 marked the one year anniversary since the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The date also marked the day where the Consumer Financial Protection Bureau (CFPB) assumes authority for regulating consumer financial products and services. While milestones are usually celebrated, this one is marked by uncertainty because the true effect of this new bureaucracy remains to be seen. The CFPB was given extraordinarily broad oversight powers to fundamentally change the way both banks and non-banks are regulated.

In the rush to establish the CFPB I believe that a fundamental element of regulation was lost, that is a comprehensive review of how rules will affect the industry and whether the financial products are meeting the needs of consumers. All of us in this room today are consumers of goods and services. I don't think anyone here wakes up in the morning and says that I want to be a victim of unfair, deceptive or abusive practices. No one here wants to end up in bankruptcy. No entrepreneur wakes up in the morning and says, I'm going to start a business and it WILL fail. Our society is built on the optimism of entrepreneurs who wake up in the morning and say, I have a great idea for a business. With this optimism about business creation comes the responsibility to make the right decisions to best position your business for success. What we need to do is create a vibrant marketplace. Creating onerous rules and regulations on an industry is not the answer and is likely to have an adverse effect by driving many providers out of the marketplace. A banking relationship is a partnership, a bank that abuses its customers might make money in the short term, but they will not be in business very long. We need to find a system that goes after those bad actors, without impeding the ability of good actors to help build their communities.

I am looking forward to hearing from both the CFPB to see how they envision the new bureau operating, and learn about what provisions they are putting into place to protect small business from the burdens of overregulation. I am also looking forward to hearing from small businesses about how the new bureau will affect them and their business. With unemployment remaining above 9 percent, we need to do everything we can to avoid further burdening our job creators with regulation that will not add meaningful protections.

With that, I would like to yield to Ranking Member Altmire for his opening statement.