

## **Full Committee and the Committee on Small Business Joint Hearing Condition of Small Business and Commercial Real Estate Lending in Local Markets**

Congressman Adler's Opening Statement:

### **Financial Services Full Committee and the Committee on Small Business Joint Hearing:**

I want to thank Chairman Frank, Chairwoman Velazquez, Ranking Member Bachus and Ranking Member Sam Graves for holding this incredibly important hearing. Additionally, I want to thank all the witnesses for taking time out of their busy schedules to testify here today.

Over the past year, I have hosted dozens of public events, including town halls and small business summits to hear from consumers, small business owners and local officials about the status of New Jersey's economy. I hear about the condition of the credit markets and difficulty small businesses are having accessing capital. Loans to small businesses are especially vital to our economy, as they employ nearly 40 percent of the private sector workforce. Today, we must iron out the communication lapses between the federal regulators in Washington, examiners on the ground, banks and small businesses.

The health of our capitalistic economy depends on the ability of consumers and businesses to access credit. I understand that due to the financial downturn many bankers have become more conservative in how they evaluate potential borrowers and distribute their financial products. However, local small businesses in my district cannot access loans and oftentimes banks are cutting off their existing lines of credit which force them to lay off employees and threaten their ability to keep operating. This development is especially problematic for small businesses, given that they typically lack access to public capital markets. Banks counter that they are under pressure from regulatory examiners who are preventing them from making loans they would normally make. Solving these problems require no government spending and will significantly add to the ability of small businesses to expand and create jobs.

Additionally, I hope our panelists suggest what legislative, regulatory or other solutions can be changed to increase the availability of small business credit. New Jersey residents want to go back to work, add to the productivity of our economy and see Washington work on a bipartisan basis to solve the problems impacting their communities. We must help Americans tap into their entrepreneurial spirit our country is known for.

Again, I want to thank all our witnesses for testifying today and look forward to tackling these issues as a member of the House Financial Services Committee.