



**FOR IMMEDIATE RELEASE**

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**JEC Chairman-Designate Heinrich on Silicon Valley Bank**

Washington, D.C.—Today, Senator Martin Heinrich (D-NM), Chairman-Designate of the U.S. Congress Joint Economic Committee (JEC), released the following statement after the failure of Silicon Valley Bank and subsequent actions taken by the Treasury Department, Federal Reserve, and Federal Deposit Insurance Corporation.

“Yesterday, the Biden Administration and financial regulators announced key steps to shore up the U.S. banking system in response to last week’s collapse of Silicon Valley Bank. These actions ensure that businesses who kept their money at SVB can continue to pay their bills, and that the workers they employ don’t miss a paycheck. While I am glad that the administration and regulators acted quickly to ensure small businesses and depositors didn’t take the brunt of this failure, this disaster may have been prevented.

“The reforms in the Dodd-Frank Act were put in place to ensure the stability of the U.S. financial system, in part by letting regulators take a clear look at the health and soundness of individual banks. Unfortunately, President Trump’s regulatory rollback has led us here.

“When Congress voted to roll back key provisions in 2018, I [warned](#) that weakening these rules put the health of the banking system at risk. In fact, the Joint Economic Committee named SVB Financial Group as one of the banks that would face nearly none of the enhanced regulations originally put in place by Dodd-Frank.

“Instead of bailing out shareholders or using taxpayer money, the Federal Reserve and other agencies will collect money from other regulated banks in order to protect the customers who banked with SVB, which include many small businesses.

“While I agree with this solution and have confidence in regulators’ ability to prevent any further bank runs, these measures are no substitute for proactive regulation and formal deposit insurance requirements that respond to the needs of today’s economy.

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**About Chairman Martin Heinrich**

U.S. Senator Martin Heinrich has served the people of New Mexico in the United States Senate since 2012. In addition to his role as Chairman-Designate of the U.S. Congress Joint Economic Committee, Heinrich also serves as Chairman of the Subcommittee on Agriculture, Rural Development, and Food and Drug Administration on the Senate Appropriations Committee, and

as a member of the Senate Energy and Natural Resources Committee and the Senate Select Committee on Intelligence. Prior to his election to the U.S. Senate, Heinrich served two terms in the U.S. House of Representatives, four years as an Albuquerque City Councilor, as New Mexico's Natural Resources Trustee, and in AmeriCorps with the U.S. Fish and Wildlife Service.

### **About the U.S. Congress Joint Economic Committee**

The U.S. Congress Joint Economic Committee is Congress's bicameral economic think tank. It was created when Congress passed the Employment Act of 1946. Under this Act, Congress established two advisory panels: the President's Council of Economic Advisers (CEA) and the JEC. Their primary tasks are to review economic conditions and to recommend improvements in economic policy. Chairmanship of the JEC alternates between the Senate and House every Congress.