

August 2, 2016

To: Members of the United States Senate

The undersigned organizations, representing the 52 State Bankers Associations from every state in the country, write to strongly urge you to cosponsor S. 3153, the “Taking Account of Institutions with Low Operation Risk (TAILOR) Act of 2015.

This legislation, introduced by Senator Mike Rounds, a member of the Senate Banking Committee, simply directs Federal bank and credit union regulators, when taking a regulatory action, to consider the risk profile and business model of an institution or class of institution involved. If taking that regulatory action is not necessary or appropriate for the institution(s) given the costs and complexities involved, the regulator is directed to “tailor” that regulatory action to limit its compliance impact, cost and other burdens. In its simplest terms, S. 3153 directs regulators to apply rules where needed while cutting back where they are not.

Financial institutions, particularly community banks, have been besieged by an avalanche of regulations coming out of the financial crisis. While many of those new rules address legitimate concerns, they often are applied in indiscriminate fashion, imposing substantial burdens on institutions whose risk profiles and business models clearly do not warrant such application. Sometimes regulators take such action because the statute itself fails to provide sufficient authority to exempt classes of institutions from its reach. Sometimes these burdens arise because regulators have failed to exercise their statutorily-granted discretion to exempt classes of institutions or otherwise limit the burdens of compliance. And sometimes these burdens come about because examiners or outside auditors view these new rules as “best practices” to be embraced even if those rules do not “technically” apply to those institutions.

Regardless of the cause, these thousands of pages of new requirements run the risk of not only significantly adding to the cost of financial products and services to consumers and small businesses, but also threaten the very existence of many institutions struggling to manage the overabundance of responsibilities that come with meeting these new requirements. In the end, the primary losers of this never-ending cycle are the people and communities served by our nation’s banks, as these institutions are the life blood that drives economic growth, jobs and well-being in thousands of towns and cities across this country.

It is imperative that we reverse this trend, and S. 3153 provides an important mechanism for doing so. We strongly urge you to cosponsor this important piece of legislation and thank you in advance for consideration of our views.

Respectfully,

Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association

California Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
Delaware Bankers Association
Florida Bankers Association
Georgia Bankers Association
Hawaii Bankers Association
Idaho Bankers Association
Illinois Bankers Association
Illinois League of Financial Institutions
Indiana Bankers Association
Iowa Bankers Association
Kansas Bankers Association
Kentucky Bankers Association
Louisiana Bankers Association
Maine Bankers Association
Maryland Bankers Association
Massachusetts Bankers Association
Michigan Bankers Association
Minnesota Bankers Association
Mississippi Bankers Association
Missouri Bankers Association
Montana Bankers Association
Nebraska Bankers Association
Nevada Bankers Association
New Hampshire Bankers Association
New Jersey Bankers Association
New Mexico Bankers Association
New York Bankers Association
North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
Pennsylvania Bankers Association
Puerto Rico Bankers Association
Rhode Island Bankers Association
South Carolina Bankers Association
South Dakota Bankers Association
Tennessee Bankers Association
Texas Bankers Association
Utah Bankers Association
Vermont Bankers Association
Virginia Bankers Association
Washington Bankers Association
West Virginia Bankers Association

Wisconsin Bankers Association
Wyoming Bankers Association