

March 13, 2018

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Ryan and Minority Leader Pelosi:

The American Bankers Association (ABA), representing the breadth of the banking industry, writes to express our strong support for H.R. 1116, the “Taking Account of Institutions with Low Operation Risk Act of 2017” (the “TAILOR Act of 2017”) and urge members of the House to approve this measure when it is considered this week on the House floor.

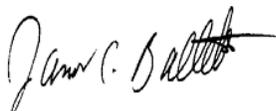
While regulation is often a fact of life for financial institutions, the indiscriminate application of many rules to institutions whose business models and risk levels do not warrant it, adds little to overall safety and soundness and much to the costs of financial products in this country. And, at its extreme, such over-regulation threatens the viability of many smaller institutions that provide essential banking services and products to communities across this country.

H.R. 1116, which is also supported by 52 state bankers associations, stands as a balanced approach to addressing this problem. It 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 complexity involved, the regulator is directed to “tailor” that regulatory action to limit its compliance impact, cost and other burdens. In its simplest terms, H.R. 1116 merely directs regulators to exercise common sense, applying rules (and the burdens that come with them) only where appropriate while cutting back those burdens where it does not.

The ABA strongly supports H.R. 1116 as it offers the possibility of real and targeted relief for banking institutions. We were pleased to see the Financial Services Committee approve this bill with a strong bipartisan vote and appreciate Representative Scott Tipton for his leadership in introducing this measure.

ABA urges the House to pass H.R. 1116.

Sincerely,



James C. Ballentine

cc: Members of the United States House of Representatives