

July 6, 2015

The Honorable Scott Tipton  
218 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Tipton:

The American Bankers Association (ABA), representing the breadth of the banking industry, wishes to commend you for your introduction of HR 2896, the “Taking Account of Institutions with Low Operation Risk Act of 2015” (the “TAILOR Act of 2015”). The ABA strongly supports this important legislation and urges quick action be taken on it.

It is clear that legislation is needed to address the mounting burdens of regulation that, in the aggregate, have stifled the ability of our nation’s financial institutions to serve the needs of consumers and small businesses, as well as local and regional economies. While regulation is often a fact of life for such institutions, the indiscriminate application of many of these 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 act as the lifeblood of communities across this country.

H.R. 2896 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. 2896 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. 2896. It offers the possibility of real and targeted relief for banking institutions facing the avalanche of new regulations coming out of the financial crisis while rolling back none of the important protections recently put in place. We stand ready to work with you and your colleagues to move this important legislation forward.

Sincerely,



Frank Keating

cc: Members of the U.S. House of Representatives