

March 30, 2017

The Honorable Steven T. Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin,

The American Bankers Association¹ appreciates and supports the initiative of the President embodied in the Core Principles for Regulating the United States Financial System, and the assignment given to you in Executive Order 13772 to lead a government-wide review of financial regulation within the context of these core principles. This is timely and refreshing. Given the amount and pace of financial regulation in recent years—and even before that—it is appropriate to evaluate what is working and what is not.

We recognize the extensive efforts by the Department to involve the public in this review. It is in that spirit, and with the jointly held goal of promoting stronger economic growth in keeping with the core principles, that we offer for your consideration brief White Papers on key regulatory topics. With these White Papers we intend to identify specific problems that are holding back economic growth and yet providing little commensurate regulatory value—or that may even be operating to frustrate effective bank supervision. We will also identify the specific regulatory sources of these problems, and we will offer specific solutions to address these problems. We do so with the goal of improving supervision while removing barriers to progress, for the benefit and prosperity of the communities in which we operate and our customers who live there.

Today I am transmitting to you a [White Paper](#) on the topic of Liquidity, essential to safe and sound banking and the smooth functioning of our financial system. In future days we plan to send to you similar White Papers on other key topics, such as Capital, as well as on Housing/Mortgage Finance, among others. We hope that you will find these useful in your work in connection with the Executive Order and your desire to secure a more vibrant economy for the nation.

Sincerely,



¹ The American Bankers Association is the voice of the nation's \$17 trillion banking industry, which is composed of small, regional, and large banks that together employ more than 2 million people, safeguard \$13 trillion in deposits, and extend more than \$9 trillion in loans.