

March 1, 2016

To: All Members of the House Financial Services Committee

The undersigned organizations, representing the 53 State Bankers Associations from every state in the country, write to strongly urge you to support H.R. 2896, the “Taking Account of Institutions with Low Operation Risk (TAILOR) Act of 2015,” scheduled for consideration before the House Financial Services Committee on Wednesday, March 2, 2016.

H.R. 2896 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, H.R. 2896 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 out 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 threatening the very existence of many institutions struggling to manage the avalanche 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 H.R. 2896 provides an important mechanism for doing so. We strongly urge you to support 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