

Date: March 20, 2018

To: Members of the House Financial Services Committee

From: James Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: ABA's views on March 21, 2018 Committee Markup

On behalf of the members of the American Bankers Association (ABA), I am writing to express our views on measures slated for consideration before the House Financial Services Committee on March 21, 2018 for which ABA has a formal position. ABA applauds the Committee for your continued efforts to advance legislation that will help banks serve their customers and communities.

H.R. 4790, Volcker Rule Regulatory Harmonization Act. This legislation, introduced by Representative French Hill and the accompanying amendment offered by Representative Foster, would simplify the Volcker Rule. The bill would designate the Federal Reserve as the rulemaking agency over all affiliates in a banking group, and by delegating examination and enforcement authority to banks' primary Federal banking agency. While a more extensive review of the Volcker Rule is warranted, ABA supports the concept in this legislation and believes the legislation provides proper safeguards while streamlining the process and giving the Federal Reserve authority to make exemption determinations under the Volcker Rule for banking entities. Additionally, the bill provides a clear exclusion from the requirements of the Volcker Rule for banks that have \$10 billion or less in consolidated assets. This represents a positive step toward more comprehensive reform efforts. *ABA supports H.R. 4790 and the Foster Amendment.*

H.R. 4861, the Ensuring Quality Unbiased Access to Loans (EQUAL) Act. This legislation, introduced by Representative Trey Hollingsworth, would repeal the FDIC Guidance on deposit advance products and direct the Federal banking agencies to create new guidance that does not limit consumers' access to short-term small-dollar loans.

The FDIC's guidance is based on undemonstrated safety and soundness concerns, and we applaud Rep. Hollingsworth for seeking to repeal that guidance. This legislation will allow banks of all sizes to better serve their communities by permitting them to establish sustainable and responsible small-dollar loan programs. *ABA supports H.R. 4861.*

H.R. 5076, Small Bank Exam Cycle Improvement Act of 2018. This legislation, introduced by Representative Claudia Tenney, would increase the asset threshold from \$1 billion to \$3 billion for insured depository institutions eligible for 18-month on-site examination cycles. This legislation would significantly reduce the resources required to deal with yearly examinations by the regulators. Former Comptroller of the Currency, Thomas Curry, publicly stated that such a change would reduce burdens on well-managed community institutions and would also allow the

agencies to focus their efforts on institutions that may present supervisory concerns. *ABA supports H.R. 5076.*

The ABA does not have formal positions on the other noteworthy measures to be considered before the Committee.