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July 13, 2016

The Honorable Mike Rounds
United States Senate
Washington, D.C. 20510

Dear Senator Rounds:

On behalf of the more than 6,000 community banks represented by ICBA, I write to express our support for the TAILOR Act of 2016 (S. 3153). Your bill would promote tiered regulation of the banking industry, which is critical to deterring further consolidation and preserving a competitive financial services industry for the benefit of consumers and communities.

A primary challenge facing community banks today is the sharply increasing burden of compliance with regulations intended for larger, more complex, and riskier banks. These regulations disproportionately burden community banks because they don't have dedicated legal and compliance departments and they have a smaller asset base over which to spread compliance costs. Tiered regulation would ensure that rules are calibrated to the size, risk profile, and complexity of a bank.

S. 3153 would promote tiered regulation by requiring the federal financial institutions regulatory agencies to tailor regulatory actions based on the risk profile and business model of affected institutions in order to limit the regulatory impact, including cost, human resource allocation, and other burdens. The bill includes a look-back provision to 2010, which would sweep in some of the most burdensome regulations on the books, as well as measures to ensure agency accountability. Tailoring or tiering would ultimately benefit consumers by promoting a competitive financial services landscape and ensuring that community banks have flexibly to meet their credit needs.

Thank you for introducing S. 3153. We look forward to working with you to advance this important legislation.

Sincerely,

Camden R. Fine
President & CEO

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