FREEDOM PARTNERS

March 5, 2018

Dear Senator Crapo:

On behalf of our members, hundreds of businessmen and women and philanthropists across the country working to advance a free society, Freedom Partners Chamber of Commerce writes in support of S. 2155, the Economic Growth, Regulatory Relief and Consumer Protection Act. This bipartisan legislation is a much-needed step in the right direction toward providing relief from the many counterproductive financial regulatory burdens that face American citizens and financial institutions.

Since the passage of Dodd-Frank, community banks continue to be the hardest hit. The compliance burdens on these smaller institutions are massive: over 27,000 new financial regulations have been implemented since 2010. Between 2008 and 2015, nearly 2,000 local community banks have closed or merged with larger banks—many due to the heavy compliance burden of Dodd-Frank. The remaining small community banks, which were pivotal in helping Americans recover from the financial crisis, are desperately in need of relief. When small community banks are forced to pay high compliance costs and limit services to their customers, it is the entire community that suffers—small businesses can't get access to loans, hiring is put on hold, and homes aren't built or bought.

Specifically, S. 2155 provides regulatory relief from risk-weighted capital requirements and other excessive burdens for small community banks that have assets totaling less than $10 billion—that threshold will protect local community banks and lenders from burdens that were intended to impact larger financial institutions. To date, the one-size-fits-all regulatory approach under Dodd-Frank has failed small lenders like community credit unions and regional banks by limiting the services they are able to provide to everyday consumers and small businesses—ultimately harming not only these small banks but also the communities they serve. This bill seeks to relieve them of that burden.

While we appreciate the deregulatory nature of the broader legislation, the current bill contains an unnecessary amendment to Title III that, if included in the final proposal, would impose mandates on all credit bureaus and open them up to new, frivolous lawsuits and other legal liabilities. What is billed as consumer protection would, in fact, expand the regulation of these financial institutions and allow the federal government to dictate what services businesses are able to offer and how. Much like the rest of Dodd-Frank, it would be an overly broad reaction to a targeted problem that would do more harm than good. This provision is unnecessary and should be removed.

Thank you for your leadership on this issue and for seeking much-needed relief from regulations that threaten economic growth and weaken consumer financial stability. Freedom Partners Chamber of Commerce is proud to support S. 2155, and we look forward to working with you to fight for continued relief from regulatory overreach.

Sincerely,
Nathan Nascimento
Executive Vice President
Freedom Partners Chamber of Commerce