

## **Banking and Finance Law Daily Wrap Up, PRUDENTIAL REGULATION —Financial regulators detail actions taken under EGRPRA to Congress, (Mar. 22, 2017)**

Banking and Finance Law Daily Wrap Up

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As part of their continuing efforts to reduce regulatory burdens while ensuring the safety and soundness of the nation's financial institutions, the Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, and Office of the Comptroller of the Currency have issued a joint report to Congress detailing their review of rules affecting financial institutions.

The review was conducted as part of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 by the member agencies of the Federal Financial Institutions Examination Council. EGRPRA requires the federal banking agencies to conduct a review of their rules at least every 10 years to identify outdated or unnecessary regulations.

**Actions taken.** In particular, the agencies' review focused on the effect of regulations on smaller institutions, such as community banks and savings associations. The [report](#) describes several joint actions planned or taken by the federal financial institutions regulators, including:

- simplifying regulatory capital rules for community banks and savings associations;
- streamlining reports of condition and income (Call Reports);
- increasing the appraisal threshold for commercial real estate loans; and
- expanding the number of institutions eligible for less frequent examination cycles.

According to the FDIC's [press release](#), the report also describes the individual actions taken by each agency to update its own rules, eliminate unnecessary requirements, and streamline supervisory procedures.

**ABA support.** The American Bankers Association has commended the FFIEC agencies for their efforts to "better understand the specific regulatory burdens that make it harder for banks to serve their customers and communities." Wayne Abernathy, ABA's executive vice president of financial institutions policy and regulatory affairs, [emphasized](#) that the ABA is eager to work with the agencies in order to identify additional areas for improvement and take actions to make those changes a reality under EGRPRA.

"We cannot have a regulatory system that adds regulations every year and reviews them every decade. Instead, reviewing and eliminating unnecessary regulations should be a continuous, ongoing effort by each banking agency," said Abernathy.

**ICBA critique.** Following the issuance of the FFIEC report, Independent Community Bankers of America President and CEO Camden Fine [said](#) that the trade association is "deeply disappointed" by the failure of the agencies to address the overregulation of community banks. According to Fine, the report "falls far short of making the substantial impact on regulatory burden that ICBA has advocated in several comment letters and meetings since this EGRPRA review launched nearly three years ago."

Companies: American Bankers Association; Independent Community Bankers of America

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