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Senators To Fed: Provide Real Relief For Midsized Banks Immediately

WASHINGTON, D.C. – U.S. Senator David Perdue (R-GA), a member of the Senate Banking Committee, is joined by his colleagues, U.S. Senators Bill Cassidy (R-LA), Jim Inhofe (R-OK), James Lankford (R-OK), Jerry Moran (R-KS), Thom Tillis (R-NC), and Mike Rounds (R-SD), in urging the Federal Reserve to provide immediate regulatory relief for regional banks that do not pose a systemic risk to our financial system.

The recent enacted Dodd-Frank Relief Act raised the asset threshold to \$250 billion for systemically important financial institutions and granted the Fed flexibility to tailor risk regulations based on banks' activities rather than their assets. However, last month, the Fed caused concern when it indicated banks with \$100 billion to \$250 billion in assets may not receive substantive relief from Dodd-Frank enhanced prudential regulations.

"We are confused by your intent to continue to broadly apply Comprehensive Capital Analysis and Review (CCAR) stress tests and other enhanced supervision regulations designed for systemically important financial institutions on non-systemic financial companies," **write the senators.** "Congress did not ask the Fed to create a third layer of treatment between financial institutions above and below \$100 billion in total assets. Rather, Congress acknowledged faults with the existing post-financial crisis laws that swept non-systemic firms into advanced regulatory categories and further empowered the Fed to tailor the regulations to address individual risk-profiles of financial companies.

"The Fed has consistently made representations to both Congress and the public that it has and will use its powers to tailor regulations to the appropriate risk profile," **continue the senators.** "Therefore, we urge you to tailor regulations for these financial companies and where your data indicates that they do not pose systemic risks, we strongly urge you to reduce regulations so that all non-systemic firms are treated accordingly."

Read the full letter [here](#).