

Tipton Small Bank Relief Bill Lauded During Subcommittee Hearing

Jun 11, 2015 Issues: [Economy and Jobs](#), [Financial Services](#), [Small Business](#)

WASHINGTON—Today, the House Committee on Financial Services Subcommittee on Financial Institutions and Consumer Credit held a hearing on legislative proposals to preserve consumer choice and financial independence, including Congressman Scott Tipton’s (R-CO) bill (H.R. 1553) to reduce red tape compliance burdens on well-managed community banks.

“H.R. 1553 would increase the size (asset threshold) of depository institutions eligible for an eighteen-month examination cycle instead of an annual examination cycle. This change would benefit both banks and bank regulators without jeopardizing the stability of our financial system,” **testified Oliver Ireland**, a partner at Morrison and Foerster LLP, a financial services practice. “Examinations consume time and resources at both the examining regulator and at the institution examined. Reducing the examination frequency for smaller institutions would facilitate a more risk-based approach to examinations.”

During the hearing Tipton questioned Ireland on the impact H.R. 1553 would have on bank examinations and the number of disclosures small banks would have to complete. Watch their exchange [HERE](#).

“One of the most pressing concerns I hear from locally owned community banks in my district is the cost of compliance. Our commonsense legislation reduces the heavy red tape burden facing well-managed small banks, and frees up additional resources for bank examiners so they can focus their attention on high-risk institutions,” **said Tipton**. “This good government bill provides regulatory relief on small banks, allowing them to focus on running their businesses, investing in their communities and helping create economic opportunity on Main Street.”

The Small Bank Exam Cycle Reform Act (H.R. 1553) would allow well-managed banks with under \$1 billion in total assets to be eligible for an 18-month bank examination cycle by the Office of the Comptroller of the Currency. Currently, only banks with assets below \$500 million are eligible for the 18-month cycle, while other small banks are required to undergo an exam every year. H.R. 1553 is [supported by the Independent Community Bankers of America](#), which represents over 6,000 community banks across the nation.

The full bill is available [HERE](#).

Oliver Ireland’s full testimony is available [HERE](#).