Testimony of

America's Community Bankers

on

The Consideration of Regulatory Relief Proposals

before the

Committee on Banking, Housing and Urban Affairs

of the

United States Senate

on

June 21, 2005

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and

Member
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Board of Directors
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Washington, DC

Chairman Shelby, Senator Sarbanes and Members of the Committee, I am Arthur Connelly, Chairman and CEO, of South Shore Savings Bank, South Weymouth, Massachusetts. South Shore Savings Bank is a $900 million state chartered savings bank owned by South Shore Bancorp, a mutual holding company.

I am here this morning representing America's Community Bankers. I am a member of the Executive Committee of ACB's Board of Directors and Chairman of ACB's Government Affairs Steering Committee. I want to thank Chairman Shelby for calling this hearing and thank him and Senator Crapo for their leadership in crafting legislation to address the impact of outdated and unnecessary regulations on community banks and the communities they serve.

ACB is pleased to have this opportunity to discuss recommendations to reduce the regulatory burden placed on community banks. When unnecessary and costly regulations are eliminated or simplified, community banks will be able to better serve consumers and small businesses in their local markets. ACB has a long-standing position in support of meaningful reduction of regulatory burden.

This hearing and this topic are important and timely. Community banks operate under a regulatory scheme that becomes more and more burdensome every year. Ten years ago there were 12,000 banks in the US. Today, there are only 9,000 left. ACB is concerned that community banks are becoming less and less able to compete with financial services conglomerates and unregulated companies that offer similar products and services without the same degree of regulation and oversight. Community banks also bear a greater relative burden of regulatory costs compare to large banks. Community banks stand at the heart of cities and towns everywhere, and to lose that segment of the industry because of over regulation would be debilitating to those communities.

Community banks today are subject to a host of laws, some over a half-century old that originally were enacted to address concerns that no longer exist. These laws stifle innovation in the banking industry and put up needless roadblocks to competition without contributing to the safety and soundness of the banking system. Further, every new law that impacts community banks brings with it additional requirements and burdens. This results in layer upon layer of regulation promulgated by the agencies frequently without regard to the requirements already in existence.

The burden of these laws results in lost business opportunities for community banks. But, consumers and businesses also suffer because their choices among financial institutions and financial products are more limited as a result of these laws, and, in the end, less competition means consumers and businesses pay more for these services.

Community banks must also comply with an array of consumer compliance regulations. As a community banker, I understand the importance of reasonable consumer protection regulations. As a community banker, I also see how much it costs, both financially and in numbers of staff hours for my small mutual community bank to comply with the often-unreasonable application of these laws. As a community banker, I see projects that will not be funded, products not offered and consumers not served because I have had to make a large resource commitment to comply with the same regulations with which banks hundreds of times larger must comply.

Bankers are not the only ones concerned about the impact of the increasing layers of regulation on community banks. According to FDIC Vice Chairman John Reich, the bank and savings association regulatory agencies have promulgated over 800 regulations since 1989. In the opinion of the Vice Chairman, although most of the rule changes were put in place for good, sound reasons, over 800 changes in 15 years are a lot for banks to digest, particularly smaller community banks with limited staff. Vice Chairman Reich believes that regulatory burden will play an increasingly significant role in the viability of community banks in the future. I agree.

The most egregious form of regulatory burden results from arbitrary actions by government agencies. ACB wants to alert the Committee to recent arbitrary actions by the National Credit Union Administration that appear to us to be a textbook case of agency overreaching. Although Congress has clearly granted credit unions the freedom to choose the form of organization that best meets their strategic and market objectives, the NCUA seems incapable of applying an evenhanded approach to conversion matters. The agency recently invalidated the conversion attempts of Community Credit Union and Omni American Credit Union in Texas before the member votes were even tabulated. The NCUA said that the credit unions violated the agency's conversion regulations because required disclosure documents that were mailed to all credit union members was not properly folded. Both the Texas Credit Union Commissioner and the Director of the OTS have determined that the way the notice was folded is not reason to start the 90-day conversion voting process over. The NCUA's actions could prevent these credit unions from exercising their right to determine their institutions' charter or cost the two credit unions hundreds of thousand of dollars to begin the process over again.

Before turning to specific recommendations for legislative changes, I would like to discuss two areas where the implementation of laws by the regulators has been carried out in a fashion that creates unnecessary uncertainty and burden on community banks, namely, anti-money laundering and corporate governance.

Community bankers fully support the goals of the anti-money laundering laws, and we are prepared to do our part in the fight against crime and terrorism. As laudable as these goals are, there currently exists an atmosphere of uncertainly and confusion about what is required of banks. This results from inconsistent messages being given by regulatory staff in the field, the region and Washington. For example, Washington officials repeatedly assure the banking industry that the banking agencies do not have a "zero-tolerance" policy, where every minor discrepancy is treated as a significant failure to comply with the law. Nevertheless, regional offices and individual examiners continue to articulate a "zero-tolerance policy" when conducting BSA examinations and when making presentations during industry conferences. In another example of inconsistent policy, FinCEN has admonished banks not to file "defensive suspicious activity reports," but as recent enforcement actions taken by the banking agencies and prosecutions by the Department of Justice demonstrate, it is safer for banks to file SARs, when in doubt.

The opportunity costs of BSA compliance go beyond hampering an institution's ability to expand and hire new employees. In some cases, fear of regulatory criticism has led some institutions to sever ties with existing banking customers or forego the opportunity to develop banking relationships with new customers.

ACB and other industry representatives have been working with FinCEN and the banking regulators to improve the regulation of our anti-money laundering efforts. Among the many reform proposals suggested by ACB, we have proposed modernizing the cash transaction reporting regulations. FinCEN and law enforcement report that the Cash Transaction Report (CTR) database is littered with unhelpful CTRs. We believe that this attributable to the $10,000 threshold set in 1970 and a well intentioned, but unhelpful exemption system that many community banks find to be more burdensome than simply filing a CTR. Adjusted for inflation since 1970, the threshold would be $48,000. ACB has suggested that the $10,000 threshold be increased for business customers as many businesses of all sizes routinely conduct transactions over $10,000. The 30-year old regulations need to be updated to reflect today's economic reality. We believe that updating the threshold for business customers would help, not hinder law enforcement. An increase in the threshold would help meet a 1994 Congressional mandate to reduce CTR filings by 30% and provide law enforcement a cleaner, more efficient CTR database. We have also suggested that banks be allowed more flexibility in exempting business customers from CTR requirements by modifying or eliminating the current 12-month waiting period for new customer exemptions.

We have made some progress in clarifying bank responsibilities under other anti-money laundering and terrorist financing regulations. As a result of a dialogue among industry, FinCEN and the banking agencies, FinCEN and the agencies recently issued joint guidance to banks on what level of scrutiny they should use with respect to the accounts of money service businesses. ACB commends the agencies for providing this needed clarification of bank responsibilities. ACB will continue to work with government agencies to provide further clarification of the responsibilities of banks under the nation's anti-money laundering laws. We look forward to the release of additional guidance in this area and are pleased that the agencies have planned training sessions for examiners and bankers so that a consistent message can be given to everyone at the same time.

The Sarbanes-Oxley Act contained much needed reforms, restoring investor confidence in the financial markets that were in turmoil as a result of the major corporate scandals at the beginning of this decade. Community bankers support that Act and other laws, like the Federal Deposit Insurance Corporation Improvement Act, that improve corporate governance, enhance investor protection and promote the safety and soundness of the banking system. However, the implementation of the Sarbanes-Oxley Act by the Securities and Exchange Commission and the Public Company Accounting Oversight Board and the interpretation of those regulatory requirements by accounting firms have resulted in costly and burdensome unintended consequences for community banks, including, even, privately held stock institutions and mutual institutions.

For example, the PCAOB requires the external auditor to audit the internal controls of a company, rather than audit the CEO's attestation with respect to the internal controls -- which was the practice generally permitted by the banking agencies for compliance with FDICIA's internal control requirements. ACB believes that this change in practice is a significant cause of a dramatic increase in bank audit fees. Many publicly traded banks are reporting an increase in audit fees of 75 percent over the prior year. Some banks are reporting audit fees equal to 20 - percent of net income. Privately held and mutual banks also are experiencing significant increases in auditing fees because the external auditors are applying the same PCAOB standards to these non-public banks.

ACB has provided concrete suggestions to the banking regulators, the SEC and the PCAOB on ways to reduce the cost of compliance with internal controls and other requirements, while still achieving the important goal of improved corporate governance and transparency. We appreciate the separate guidance on internal control reporting and attestation requirements issued concurrently by the SEC and the PCAOB, and are hopeful that it might provide some relief to the escalating audit fees.

ACB appreciates the willingness of the staffs of Chairman Shelby, Senator Sarbanes and other Senators to discuss the views and experiences of community banks in relation to the implementation of Section 404, and want to thank Senator Sarbanes for his assistance in securing the participation of one of our members in the SEC Roundtable on the Implementation of Sarbanes-Oxley Internal Control Provisions.

(We have attached a letter, which ACB recently submitted to the banking regulators, detailing these suggestions and also suggestions for improving anti-money laundering regulation.)

While ACB is not currently recommending statutory changes to anti-money laundering and corporate governance laws, we believe that Congress has an important oversight role to play to ensure that meaningful regulatory efforts to reduce burden continue, and to step in and change laws, when that becomes necessary.

Legislative Recommendations

ACB has a number of recommendations to reduce regulations applicable to community banks that will help make doing business easier and less costly, further enabling community banks to help their communities prosper and create jobs. ACB's specific legislative proposals are attached in an appendix.

Priority Issues

Expanded Business Lending

A high priority for ACB is a modest increase in the business-lending limit for savings associations. In 1996, Congress liberalized the commercial lending authority for federally chartered savings associations by adding a 10 percent "bucket" for small business loans to the 10 percent limit on commercial loans. Today, savings associations are increasingly important providers of small business credit in communities throughout the country. As a result, even the "10 plus 10" limit poses a constraint for an ever-increasing number of institutions. Expanded authority would enable savings associations to make more loans to small- and medium-sized businesses, thereby enhancing their role as community-based lenders. An increase in commercial lending authority would help increase small business access to credit, particularly in smaller communities where the number of financial institutions is limited. To accommodate this need, ACB supports eliminating the lending limit restriction on small business loans while increasing the aggregate lending limit on other commercial loans to 20 percent. Under ACB's proposal, these changes would be made without altering the requirement that 65 percent of an association's assets be maintained in assets required by the qualified thrift lender test.

Unnecessary and redundant privacy notices

ACB strongly urges the elimination of required annual privacy notices for banks that do not share information with nonaffiliated third parties. Banks with limited information sharing practices should be allowed to provide customers with an initial notice, and provide subsequent notices only when terms are modified. I am sure you are all inundated by privacy statements each fall. I am equally confident that most or all of them remain unread. At my bank we send out thousands of such notices each year at significant cost, in both dollars and staff time, even though our policies and procedures have remained consistent over many years. Redundancy in this case does not enhance consumer protection; rather it serves to numb our customers with volume.

Others share information only under very controlled circumstances when certain operational functions are outsourced to a vendor. The requirement to send notices should be amended when circumstances have not changed or when we are only reiterating that no customer information is ever shared. We do agree a notice should be sent, but it becomes an expensive burden to send it multiple times when once will more than suffice.

Parity Under the Securities Exchange Act and Investment Advisers Act

ACB vigorously supports providing parity for savings associations with banks under the Securities Exchange Act and Investment Advisers Act. Statutory parity will ensure that savings associations and banks are under the same basic regulatory requirements when they are engaged in identical trust, brokerage and other activities that are permitted by law. As more savings associations engage in trust activities, there is no substantive reason to subject them to different requirements. They should be subject to the same regulatory conditions as banks engaged in the same services.

In proposed regulations, the SEC has offered to remove some aspects of the disparity in treatment for broker-dealer registration and the IAA, but still has not offered full parity. Dual regulation by the OTS and the SEC makes savings associations subject to significant additional cost and regulatory burden. Eliminating this regulatory burden could free up tremendous resources for local communities. ACB supports a legislative change. Such a change will ensure that savings associations will have the same flexibility as banks to develop future products and offer services that meet customers' needs.

Easing Restrictions on Interstate Banking and Branching

ACB strongly supports removing unnecessary restrictions on the ability of national and state banks to engage in interstate branching. Currently, national and state banks may only engage in de novo interstate branching if state law expressly permits. ACB recommends eliminating this restriction. The law also should clearly provide that state-chartered Federal Reserve member banks might establish de novo interstate branches under the same terms and conditions applicable to national banks. ACB recommends that Congress eliminate states' authority to prohibit an out-of-state bank or bank holding company from acquiring an in-state bank that has not existed for at least five years. The new branching rights should not be available to newly acquired or chartered industrial loan companies with commercial parents (those that derive more than 15 percent of revenues from non-financial activities).

Other Important Issues

Interest on Business Checking

Prohibiting banks from paying interest on business checking accounts is long outdated, unnecessary and anti-competitive. Restrictions on these accounts make community banks less competitive in their ability to serve the financial needs of many business customers. Permitting banks and savings institutions to pay interest directly on demand accounts would be simpler. Institutions would benefit by not having to spend time and resources trying to get around the existing prohibition. This would benefit many community depository institutions that cannot currently afford to set up complex sweep operations for their – mostly small – business customers.

Eliminating Unnecessary Branch Applications

A logical counterpart to proposals to streamline branching and merger procedures would be to eliminate unnecessary paperwork for well-capitalized banks seeking to open new branches. National banks, state-chartered banks, and savings associations are each required to apply and await regulatory approval before opening new branches. This process unnecessarily delays institutions' plans to increase competitive options and increase services to consumers, while serving no important public policy goal. In fact, these requirements are an outdated holdover from the times when regulatory agencies spent unnecessary time and effort to determine whether a new branch would serve the "convenience and needs" of the community.

Coordination of State Examination Authority

ACB supports the adoption of legislation clarifying the examination authority over state-chartered banks operating on an interstate basis. ACB recommends that Congress clarify home- and host-state authority for state-chartered banks operating on an interstate basis. This would reduce the regulatory burden on those banks by making clear that a chartering state bank supervisor is the principal state point of contact for safety and soundness supervision and how supervisory fees may be assessed. These reforms will reduce regulatory costs for smaller institutions.

Limits on Commercial Real Estate Loans

ACB recommends increasing the limit on commercial real estate loans, which applies to savings associations, from 400 to 500 percent of capital, and giving the OTS flexibility to increase that limit. Institutions with expertise in non-residential real property lending and which have the ability to operate in a safe and sound manner should be granted increased flexibility. Congress could direct the OTS to establish practical guidelines for non-residential real property lending that exceeds 500 percent of capital.

Loans to One Borrower

ACB recommends eliminating the $500,000-per-unit limit in the residential housing development provision in the loans-to-one-borrower section of the Home Owners' Loan Act.

This limit frustrates the goal of advancing residential development within the statute's overall limit – the lesser of $30 million or 30 percent of capital. This overall limit is sufficient to prevent concentrated lending to one borrower/housing developer. The per-unit limit is an excessive regulatory detail that creates an artificial market restriction in high-cost areas.

Home Office Citizenship

ACB recommends that Congress amend the Home Owners' Loan Act to provide that for purposes of jurisdiction in federal courts, a federal savings association is deemed to be a citizen of the State in which it has its home office. For purposes of obtaining diversity jurisdiction in federal court, the courts have found that a federal savings association is considered a citizen of the state in which it is located only if the association's business is localized in one State. If a federal savings association has interstate operations, a court may find that the federally chartered corporation is not a citizen of any state, and therefore no diversity of citizenship can exist. The amendment would provide certainty in designating the state of their citizenship.

A recent court decision has cast doubt on national banks' ability to access the federal courts on the basis of diversity jurisdiction. Regulatory relief legislation should also clarify that national banks are citizens of their home states for diversity jurisdiction purposes.

Interstate Acquisitions

ACB supports the adoption of legislation to permit multiple savings and loan holding companies to acquire associations in other states under the same rules that apply to bank holding companies under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. This would eliminate restrictions in current law that prohibit (with certain exceptions) a savings and loan holding company from acquiring a savings association if that would cause the holding company to become a multiple savings and loan holding company controlling savings associations in more than one state.

Application of QTL to Multi-State Operations

ACB supports legislation to eliminate state-by-state application of the QTL test. This better reflects the business operations of savings associations operating in more than one state.

Applying International Lending Supervision Act to OTS

ACB recommends that the ILSA be amended to clarify that the ILSA covers savings associations. Such a provision would benefit OTS-regulated savings associations operating in foreign countries by assisting the OTS in becoming recognized as a consolidated supervisor, and it would promote consistency among the federal banking regulators in supervising the foreign activities of insured depository institutions.

OTS Representation on Basel Committee on Banking Supervision

ACB recommends another amendment to the ILSA that would add OTS to the multi-agency committee that represents the United States before the Basel Committee on Banking Supervision. Savings associations and other housing lenders would benefit by having the perspective of the OTS represented during the Basel Committee's deliberation.

Parity for Savings Associations Acting as Agents for Affiliated Depository Institutions

ACB recommends that the Federal Deposit Insurance Act be amended to give savings associations parity with banks to act as agents for affiliated depository institutions. This change will allow more consumers to access banking services when they are away from home.

Inflation Adjustment under the Depository Institution Management Interlocks Act

ACB supports increasing the exemption for small depository institutions under the DIMA from $20 million to $100 million. This will make it easier for smaller institutions to recruit high quality directors. The original $20 million level was set a number of years ago and is overdue for an adjustment.

Reducing Debt Collection Burden

Under the Fair Debt Collection Practices Act, a debtor has 30 days in which to dispute a debt. ACB supports legislation that makes clear that a debt collector need not stop collection efforts for that 30-day period while the debtor decides whether or not to dispute the debt. This removes an ambiguity that has come up in some instances. If a collector has to cease action for 30 days, valuable assets, which may be sufficient to satisfy the debt, may vanish during the 30-day period.

Mortgage Servicing Clarification

The FDCPA requires a debt collector to issue a "mini-Miranda" warning (that the debt collector is attempting to collect a debt and any information obtained will be used for that purpose) when the debt collector begins to attempt to collect a debt. This alerts the borrower that his debt has been turned over to a debt collector. However, the requirement also applies in cases where a mortgage servicer purchases a pool of mortgages that include delinquent loans. While the mini-Miranda warnings are clearly appropriate for true third party debt collection activities, they are not appropriate for mortgage servicers who will have an ongoing relationship with the borrower.

ACB urges the adoption of legislation to exempt mortgage servicers from the mini-Miranda requirements. The proposed exemption (based on H.R. 314, the Mortgage Servicing Clarification Act) is narrowly drawn and would apply only to first lien mortgages acquired by a mortgage servicer for whom the collection of delinquent debts is incidental to its primary function of servicing current mortgages. The exemption is narrower than one recommended by the FTC for mortgage servicers. The amendment would not exempt mortgage servicers from any other requirement of the FDCPA.

Repealing Overlapping Rules for Purchased Mortgage Servicing Rights

ACB supports eliminating the 90-percent-of-fair-value cap on valuation of purchased mortgage servicing rights. ACB's proposal would permit insured depository institutions to value purchased mortgage servicing rights, for purposes of certain capital and leverage requirements, at more than 90 percent of fair market value – up to 100 percent – if the federal banking agencies jointly find that doing so would not have an adverse effect on the insurance funds or the safety and soundness of insured institutions.

Loans to Executive Officers

ACB recommends legislation that eliminates the special regulatory $100,000 lending limit on loans to executive officers. The limit applies only to executive officers for "other purpose" loans, i.e., those other than housing, education, and certain secured loans. This would conform the law to the current requirement for all other officers, i.e., directors and principal shareholders, who are simply subject to the loans-to-one-borrower limit. ACB believes that this limit is sufficient to maintain safety and soundness.

Decriminalizing RESPA

ACB recommends striking the imprisonment sanction for violations of RESPA. It is highly unusual for consumer protection statutes of this type to carry the possibility of imprisonment. Under the ACB's proposal, the possibility of a $10,000 fine would remain in the law, which would provide adequate deterrence.

Bank Service Company Investments

Present federal law stands as a barrier to a savings association customer of a Bank Service Company from becoming an investor in that BSC. A savings association cannot participate in the BSC on an equal footing with banks who are both customers and owners of the BSC. Likewise, present law blocks a bank customer of a savings association's service corporation from investing in the savings association service corporation.

ACB proposes legislation that would provide parallel investment ability for banks and savings associations to participate in both BSCs and savings association service corporations.

ACB's proposal preserves existing activity limits and maximum investment rules and makes no change in the roles of the federal regulatory agencies with respect to subsidiary activities of the institutions under their primary jurisdiction. Federal savings associations thus would need to apply only to OTS to invest.

Eliminating Savings Association Service Company Geographic Restrictions

Currently, savings associations may only invest in savings association service companies in their home state. ACB supports legislation that would permit savings associations to invest in those companies without regard to the current geographic restrictions.

Streamlining Subsidiary Notifications

ACB recommends that Congress eliminate the unnecessary requirement that a state savings association notify the FDIC before establishing or acquiring a subsidiary or engaging in a new activity through a subsidiary. Under ACB's proposal, a savings association would still be required to notify the OTS, providing sufficient regulatory oversight.

Authorizing Additional Community Development Activities

Federal savings associations cannot now invest directly in community development corporations, and must do so through a service corporation. National banks and state member banks are permitted to make these investments directly. Because many savings associations do not have a service corporation and choose for other business reasons not to establish one, they are not able to invest in CDCs. ACB supports legislation to extend CDC investment authority to federal savings associations under the same terms as currently apply to national banks.

Eliminating Dividend Notice Requirement

Current law requires a savings association subsidiary of a savings and loan holding company to give the OTS 30 days' advance notice of the declaration of any dividend. ACB supports the elimination of the requirement for well-capitalized associations that would remain well capitalized after they pay the dividend. Under this approach, these institutions could conduct routine business without regularly conferring with the OTS. Those institutions that are not well capitalized would be required to pre-notify the OTS of dividend payments.

Reimbursement for the Production of Records

ACB's members have long supported the ability of law enforcement officials to obtain bank records for legitimate law enforcement purposes. In the Right to Financial Privacy Act of 1978, Congress recognized that it is appropriate for the government to reimburse financial institutions for the cost of producing those records. However, that act provided for reimbursement only for producing records of individuals and partnerships of five or fewer individuals. Given the increased demand for corporate records, such as records of organizations that are allegedly fronts for terrorist financing, ACB recommends that Congress broaden the RFPA reimbursement language to cover corporate and other organization records.

ACB also recommends that Congress clarify that the RFPA reimbursement system applies to records provided under the International Money Laundering Abatement and Anti-

Terrorist Financing Act of 2001 (title III of the USA PATRIOT Act). Because financial institutions will be providing additional records under the authority of this new act, it is important to clarify this issue.

Extending Divestiture Period

ACB recommends that unitary savings and loan holding companies that become multiple savings and loan holding companies be provided 10 years to divest non-conforming activities, rather than the current two-year period. This would be consistent with the time granted to new financial services holding companies for similar divestiture under the Gramm-Leach-Bliley Act. The longer time gives these companies time to conform to the law without forcing a fire-sale divestiture.

Restrictions on Auto Loan Investments

Federal savings associations are currently limited in making auto loans to 35 percent of total assets. ACB recommends eliminating this restriction. Removing this limitation will expand consumer choice by allowing savings associations to allocate additional capacity to this important segment of the lending market.

Streamlined CRA Examinations

ACB strongly supports amending the Community Reinvestment Act to define banks with less than $1 billion dollars in assets as small banks and therefore permit them to be examined with the streamlined small institution examination. According to a report by the Congressional Research Service, a community bank participating in the streamlined CRA exam can save 40 percent in compliance costs. Expanding the small institution exam program will free up capital and other resources for almost 1,700 community banks across our nation that are in the $250 million to $1 billion asset-size range, allowing them to invest even more into their local communities.

Credit Card Savings Associations

Under current law, a savings and loan holding company cannot own a credit card savings association and still be exempt from the activity restrictions imposed on companies that control multiple savings associations. However, a savings and loan holding company could charter a credit card institution as a national or state bank and still be exempt from the activity restrictions imposed on multiple savings and loan holding companies. ACB proposes that the Home Owners' Loan Act be amended to permit a savings and loan holding company to charter a credit card savings association and still maintain its exempt status. Under this proposal, a company could take advantage of the efficiencies of having its regulator be the same as the credit card institution's regulator.

Protection of Information Provided to Banking Agencies

Recent court decisions have created ambiguity about the privileged status of information provided by depository institutions to bank supervisors. ACB recommends the adoption of legislation that makes clear that when a depository institution submits information to a bank regulator as part of the supervisory process, the depository institution has not waived any privilege it may claim with respect to that information. Such legislation would facilitate the free flow of information between banking regulators and depository institutions that is needed to maintain the safety and soundness of our banking system.

Conclusion

I wish to again express ACB's appreciation for your invitation to testify on the importance of reducing regulatory burdens and costs for community banks. We strongly support the Committee's efforts in providing regulatory relief, and look forward to working with you and your staff in crafting legislation to accomplish this goal.