

United States Senate  
WASHINGTON, DC 20510

July 12, 2018

The Honorable Jerome H. Powell  
Chairman of the Board  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20551

The Honorable Jelena McWilliams  
Chairman of the Board  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, D.C. 20429

The Honorable Joseph M. Otting  
Comptroller of the Currency  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street, SW  
Suite 3E-218  
Washington, D.C. 20219

Dear Chairmen Powell, McWilliams and Comptroller Otting,

Thank you for releasing new guidance on July 6, 2018, directing your agencies to expeditiously implement the Economic Growth, Regulatory Relief, and Consumer Protection Act (PL 115-174), the recent bipartisan banking reform legislation signed into law by President Trump on May 24, 2018.

We also write to encourage you to prioritize reform of broadly applied implementation requirements across the regulatory spectrum, especially as it relates to stress testing and risk committee formation. Specifically, we ask that you prioritize replacing the May 10, 2012, guidance issued by the Office of the Comptroller of Currency Docket No. OCC-2012-0004, the Federal Reserve System Docket No. OP-1421, and the Federal Deposit Insurance Corporation, that applies to banking organizations with more than \$10 billion in total consolidated assets with regard to stress testing other than what had been mandated under the Dodd-Frank Act.

Section 401, “Enhanced Supervision and Prudential Standards for Certain Bank Holding Companies” of PL 115-174 raises the asset threshold for mandatory stress testing and risk committee formation to banks above \$250,000,000,000 in assets. This provision eliminates all Dodd-Frank Act stress tests and risk committee requirements for banks under \$250,000,000,000 in assets unless you determine that an individual institution poses a systemic threat to the financial system. While we understand PL 115-174 does not require your respective agencies to eliminate agency guidance separate from Dodd-Frank Act requirements, we believe it is

important that existing guidance documents be modified expeditiously to conform to the meaning and spirit of the new law.

We continue to hear from our constituents regarding the harmful side effects caused by Dodd-Frank and other burdensome administrative mandates. Since Dodd-Frank's enactment, community and local banks have been plagued by regulations intended to protect consumers, however these regulations have forced banks to limit their lending capabilities to consumers and have stifled business development.

Community and local banks are the backbone of the American economy, and our laws and agencies should encourage American investment, not discourage it. The compliance requirements and costs associated with Dodd-Frank reflected by burdensome guidance mandates issued previously by your respective agencies have encouraged Congress to extend relief to community and local banks. Our constituents rightly demanded Congress act to alleviate the regulatory overreach established by Dodd-Frank. The main focus of PL 115-174 is to protect consumers, while ensuring our community and local banks receive the regulatory relief they so desperately deserve.

We urge you to consider the reforms and intent of PL 115-174 during your review of past and future administrative action. In addition, as Members of Congress, we look forward to enacting additional meaningful legislative reforms of banking laws to assist in your respective agencies' mission of tailoring regulations intended to prevent unnecessary or duplicative regulations while also protecting consumers' financial interests.

Thank you for your consideration, and we look forward to working together on our continued efforts of protecting consumers and the financial stability of the nation.

Sincerely,



James M. Inhofe  
United States Senator



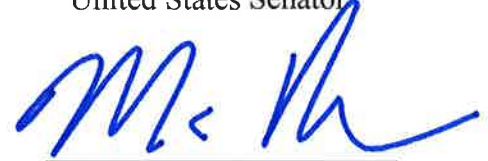
John Boozman  
United States Senator



John Kennedy  
United States Senator



Tom Cotton  
United States Senator



Marco Rubio  
United States Senator



M. Michael Rounds  
United States Senator