

NEWS

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ICBA Statement on Treasury's Financial Regulatory Blueprint

Washington, D.C. (March 31, 2008)—Camden R. Fine, president and CEO of the Independent Community Bankers of America (ICBA), issued the following statement on the U.S. Treasury's Blueprint for Financial Regulatory Reform:

“This seriously flawed Treasury proposal would benefit Wall Street at the expense of Main Street, and could spell the end of community banking in the United States. It would eliminate the dual banking system, gut state regulatory authority across nearly the entire financial services spectrum, and heighten systemic risk by furthering bank consolidation and concentration of our nation's financial assets. Why should Main Street suffer as a result of the sins and arrant behavior on Wall Street?”

“ICBA strongly supports the dual banking system because it allows for diversity of financial institutions and supports financial institutions of various complexity and size. The dual banking system has served our nation well by allowing community banks to thrive, and in turn, help our nation's communities thrive.

“Multiple regulators serve as a check and balance over the arrogant use of power. In its zeal to address the current challenges and to simplify our regulatory structure, the Treasury has ignored the value afforded our nation through the dual banking system, in favor of creating huge monolithic federal regulators. Such a move is both dangerous and unwise. We should no more eliminate the checks and balances in the current bank regulatory system, than eliminate the multiple branches of government that are the foundation of our country. Overwhelming concentration of power in any sector is counterproductive.

“Further, ICBA supports independent financial regulators because not only are they more insulated from political pressure, but concurrent rules developed by several agencies can yield a superior product with greater acceptability and legitimacy.

“ICBA is a strong proponent of the savings institution charter and a separate thrift regulator – the Office of Thrift supervision. We have and will continue to support their existence. Despite the current mortgage market troubles, housing and homeownership are fundamental to a sound economy and savings institutions continue to play a large role in helping millions of American families become homeowners.

“Congress and the Administration must focus on addressing the challenges posed by unregulated lenders and investment banks, not on making changes to the current regulatory regime that will cause more harm than good. ICBA will work with Congress and the Administration to ensure any changes to our current financial regulatory regime recognize that the nation's 8,300 community banks remain the foundation of our nation's economy and that it protects the communities that depend on community banks for their economic well-being.”

About ICBA

The Independent Community Bankers of America, the nation's voice for community banks, represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. For more information, visit www.icba.org.

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