

Editor's Name
Newspaper Name
Address
City
Newspaper Email Address

Dear [Editor's Name]:

Over the years, the interests of taxpayers and our economy have been placed behind those of a few giant financial conglomerates. It was only in the wake of the financial markets crisis that policymakers could no longer ignore what seemed so obvious to the rest of us.

Now the Obama administration has a plan that will help ensure that we don't repeat the errors that caused the current financial crisis. But parts of the plan, however well intentioned, would harm to our economy if adopted.

Without a doubt, we need to do something to reduce the risk that too-big-to-fail institutions pose to our financial system. The largest financial institutions should hold more capital reserves to cushion against potential losses, and they--not taxpayers--should bear the costs for the extra risks they create. They should pay more for federal deposit insurance and finance an additional reserve fund to protect taxpayers.

While the administration supports reforms for tighter regulation of large institutions, it backs one idea—a Consumer Financial Protection Agency—that would undermine small community banks and could cause more harm than good.

Community bankers agree that we need to safeguard consumers from abusive and improper practices. After all, community banks succeed by maintaining long-term business relationships with our neighbors. We offer our customers the products and services that meet their needs best.

Unfortunately, the new consumer protection agency would separate consumer protection from safety and soundness supervision. That means more costs and complications, and that would mean fewer affordable options for everything from home mortgages to credit cards to installment loans. Without intending to, the proposed Consumer Financial Protection Agency would punish consumers for the largest financial institutions' mistakes.

A better direction: Streamline overly complicated and ineffective banking regulations. Today's long, mandatory disclosures in bureaucratic and lawyer language do more to confuse than inform consumers. We community bankers believe in making sure consumers have the information they need to understand banking products and services, because the best-informed consumers tend to bank with us. However, this proposed agency would go in the opposite direction—complicating rather than simplifying our consumer protections.

By implementing new measures to regulate giant financial firms and reduce the risks they pose, Congress can begin restoring the citizens' faith in our financial system. Any new regulatory regime should fix those too-big-to-fail institutions while not hurting the community banks that didn't contribute to the current economic crisis. Let's get it right for the long term. Future generations of Americans are counting on us.

Name
Title
Bank name