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## FEDERAL BANK REGULATORS BEGIN TWO YEAR REVIEW TO REDUCE BURDENSOME REGULATION

On June 4, the Federal Financial Institutions Examination Council, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation and Board of Governors of the Federal Reserve System ("Agencies") jointly published the first of four notices for public comment to identify outdated, unnecessary or unduly burdensome regulations imposed on insured depository institutions. The first round of notices focuses on regulations in the following categories: (i) application and reporting, (ii) powers and activities and (iii) international operations. The public will have 90 days to comment.

The Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPA) requires that the Agencies review regulations they issue every 10 years. The Agencies have categorized regulations into twelve categories and will publish at least one category per public comment period. The categories that will be published in later requests for public comment include: (i) banking operations, (ii) capital, (iii) Community Reinvestment Act, (iv) consumer protection, (v) directors, officers and employees, (vi) money laundering, (vii) rules of procedure, (viii) safety and soundness, and (ix) securities. Following the public comment period, the Agencies will summarize received comments, identify significant issues raised by the comments, eliminate unnecessary regulation (if appropriate) and submit a report to Congress summarizing the significant issues and the relative merit of those issues.

The Agencies ask commenters to consider the following questions when submitting comments:

- Do the statutes underlying the regulations impose outdated, unnecessary or unduly burdensome requirements?
- Have there been changes in the financial services industry, consumer behavior or other circumstances that cause any regulations to be outdated, unnecessary or unduly burdensome?
- Could an Agency use a different regulatory approach to impose less regulatory burden on the entities it supervises, while remaining faithful to statutory intent?

- Do any of the regulations or underlying statutes create a competitive disadvantage for one part of the financial services industry?
- Do any of the regulations or underlying statutes impose unnecessarily burdensome reporting, recordkeeping or disclosure requirements?
- Do any of the regulations or underlying statutes impose requirements that are unwarranted by the unique characteristics of a particular type of insured depository institution?
- Are the regulations and underlying statutes in these categories clear and easy to understand?
- Are there regulations or underlying statutes that impose outdated, unnecessary or unduly burdensome requirements on a substantial number of community banks or other smaller insured depository institutions?
- Is the scope of each rule consistent with the intent of the underlying statute(s)?

The publication of the request for public comment marks the first ECRPA review following the financial crisis and the passing of the Dodd Frank Wall Street Reform and Consumer Protection Act. The Agencies' ECRPA review may result in potential regulatory relief and modernization for federally insured national and state banks. □

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