



March 8, 2017

Senator
U.S. Senate
Washington, DC 20510

Re: Oppose S.Amdt. 2140 (Moran), HR 4545, The Financial Institutions Examination Fairness Act; creates roadblocks to bank supervision for safety and soundness, consumer protection

On behalf of our low income clients, I urge you to oppose Senate Amendment 2140 to S. 2155, which incorporates HR 4545 (Tipton), The Financial Institutions Examination Fairness Act. The bill would create unprecedented barriers to effective prudential and consumer protection supervision of banks, allowing banks to resist corrective actions to address law violations or safety and soundness risks, bogging down agencies with frivolous appeals.

HR 4545 would grant regulated banks the right to appeal any supervisory determination made by any prudential banking agency or by the Consumer Financial Protection Bureau (CFPB) to a new "Office of Independent Examination Review" established in the Federal Financial Institutions Examinations Council (FFIEC). Upon appeal by a supervised bank, this new office would be required to undertake a repetitive de novo review of the agency's supervisory decision. No deference to the initial examination findings or the agency's judgment would be required in this review.

This new process is duplicative to appeals processes and ombudsmen already present. The CFPB, FDIC, OCC, Federal Reserve, and National Credit Union Administration each already have an agency ombudsman and an intra-agency formal review and appeals process. In addition, banks may bring a court challenge to any formal regulatory enforcement action.

HR 4545 would enormously increase the ability of banks to resist supervisory decisions. This effect would be most pronounced at the largest banks, who could appeal dozens or hundreds of material findings from every examination, creating enormous roadblocks to supervision. The bank supervision process has been the first line of regulatory defense against threats to bank safety and soundness for a century or more. HR 4545 creates unprecedented roadblocks to the effectiveness of bank supervisory determinations and could be devastating to effective regulatory oversight in areas ranging from basic prudential oversight to key consumer protections that make our financial markets fairer.

I urge you to oppose HR 4545 and any amendment that incorporates the bill. If you have any questions please contact me at (202) 595-7845 or Isaunders@nclc.org.

Yours very truly,

Lauren K. Saunders
Associate Director