EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 06, 2018
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 2155 – Economic Growth, Regulatory Relief, and Consumer Protection Act
(Sen. Crapo, R-ID, and 25 cosponsors)

The Administration supports S. 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act. The bill is consistent with the Administration's core principles for regulating the United States financial system set forth in Executive Order 13772. Specifically, the bill would advance the principles of: (1) fostering economic growth; (2) making regulation efficient, effective, and appropriately tailored; and (3) empowering Americans to make independent financial decisions and informed choices in the marketplace.

S. 2155 builds on the legislative foundation established by a series of bills passed by the House of Representatives with strong, bipartisan support, including H.R. 389, the Credit Union Residential Loan Parity Act; H.R. 1699, Preserving Access to Manufactured Housing Act; H.R. 2133, the CLEARR Act; H.R. 2226, the Portfolio Lending and Mortgage Access Act; H.R. 2255, the Housing Opportunities Made Easier Act; H.R. 2683, the Protecting Veterans Credit Act; and H.R. 3221, Securing Access to Affordable Mortgages Act. The bill also includes a variety of provisions from bipartisan Senate bills, including S. 223, the Senior$afe Act of 2017; S. 1002, the CLEAR Relief Act; S. 1139, the Main Street Regulatory Fairness Act; S. 1310, the Home Mortgage Disclosure Adjustment Act; S. 1753, the SAFE Transitional License Act; and S. 1751, the Preserving Access to Manufactured Housing Act.

S. 2155 contains common-sense reforms that will improve consumers' access to credit, tailor regulations to better fit our diverse financial system, and provide enhanced protections to consumers and veterans. It reforms regulations governing mortgage lending to facilitate prudent lending by community banks and credit unions to prospective homebuyers. It also helps non-profit organizations such as Habitat for Humanity continue their missions of expanding homeownership by allowing them to accept donated appraisal services.

S. 2155 streamlines regulations for credit unions and community and regional banks, reducing unnecessary regulatory costs and making it easier for them to serve their customers without creating risks to the financial system. Although the Administration prefers a risk-based approach to systemic risk regulation, S. 2155 provides a reasonable alternative in raising from $50 billion to $250 billion the threshold for the application of enhanced prudential standards to bank holding companies by the Federal Reserve. The new threshold, along with the bill's other supervisory reforms, will further tailor regulation to the nature of the risks presented by different institutions and help allocate more regulatory resources toward the institutions that present the greatest risks to the financial system. Further, these provisions are an important step in addressing the Administration's concerns that excessive regulation provides a competitive advantage for the largest institutions and fosters excessive concentration in the banking industry. The Administration notes that Federal banking agencies retain their authority to address any risks to safety and soundness that may emerge with institutions that fall below the new threshold. The Administration also notes that the Federal Deposit Insurance Corporation (FDIC) has the authority to increase risk-based deposit insurance premiums to address new risks, if any, arising from the threshold to ensure that there are no net costs to the FDIC.

The Administration is committed to consumer protection and ensuring that consumers have the tools needed to manage their finances in the manner that best suits their own personal needs and financial goals. Accordingly, the Administration supports Section 301 of the bill that gives consumers the ability to place security freezes on their credit files with credits bureaus. This provision will empower consumers to protect their credit in the event of future data breaches or incidents of identity theft. The Administration further supports the bill's enhanced protections for our Nation's veterans with respect to the excluding of certain medical debt from consumer report information.

The net impact of this legislation will be to foster economic growth by expanding prudent lending, reducing regulatory costs, and strengthening consumers' ability to protect their credit records, while ensuring the proper oversight and regulation of the financial system.

<u>If S. 2155 were presented to the President in its current form, his advisors would recommend he sign the bill into law.</u>

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