



Testimony of Mitria Wilson Spotser
Vice President, Center for Responsible Lending
United States House of Representatives
Committee on Financial Services
“Make Community Banking Great Again”
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Introduction

On behalf of the Center for Responsible Lending, I would like to thank you Chairman Hill, Ranking Member Waters, and Members of the House Financial Services Committee for the opportunity to submit testimony for today’s hearing entitled, “Make Community Banking Great Again.” I am the Vice President of Federal Policy at the Center for Responsible Lending (CRL). CRL is a non-partisan, nonprofit research and policy advocacy organization working to make our financial markets stronger and more productive by increasing access, fairness and economic opportunity for all.

CRL is an affiliate of Self-Help, a community development financial institution headquartered in Durham, NC. Since 1980, Self-Help has provided over \$11 billion in financing to 168,000 families, individuals, and businesses underserved by traditional financial institutions. Self-Help has accomplished that goal by financing hundreds of homebuyers each year and providing affordable financing for nonprofits, child-care centers, community health facilities, public charter schools, and other residential or commercial real estate projects. Through its credit union network, Self-Help also serves over 190,000 people by offering a full range of financial products and services in states across the nation—including North Carolina, South Carolina, California, Illinois, Florida, Georgia, Washington state and Wisconsin.¹

I. Community Banking Is Already Great.

At the outset, CRL thinks it is important to say that community banking in the United States today *is* great. Community lenders, which include community banks, community development

¹ Learn more at www.self-help.org and www.self-helpfcu.org.



financial institutions (“CDFIs”), and credit unions already play an essential role in the financial markets and our nation’s economy as a whole. These community lenders include 4,104 community banks with \$3.2 trillion in assets,² 99.5% of the 4,499³ federally insured credit unions in the United States with \$2.31 trillion in assets,⁴ and 1,435⁵ certified CDFIs with total assets of more than \$450 billion.⁶

Community lenders and the financial services that they provide are both important and distinctive. Small depository lenders and CDFIs frequently use a business model that usually involves smaller transactions and is based on the institution having much closer ties to both the borrowers and communities that they serve. The result is a tailored lending and underwriting process with a track record that demonstrates success.

A. Community Banking Institutions Play an Essential Role in Providing Capital.

This locally based, relationship-focused banking model plays a key role in fueling our nation’s economic growth. For example, in addition to creating two-thirds of all net new jobs in the United States, small businesses account for 43.5 percent of the nation’s gross domestic product.⁷ And it is community banking institutions that serve as a primary source for much of

²FDIC. (2024). FDIC insured institutions reported net income of \$715 billion. FDIC. <https://www.fdic.gov/news/press-releases/2024/fdic-insured-institutions-reported-net-income-715-billion>."

³ The number and asset number represents all credit unions including the 21 with assets over \$10 billion.

⁴ National Credit Union Administration. (2024). Quarterly data summary: 2024 Q3.

<https://ncua.gov/files/publications/analysis/quarterly-data-summary-2024-Q3.pdf>.

⁵ This number includes 356 banks and bank holding companies and 494 credit unions.

⁶ Community Development Banks Association. (2024, December 31). CDBA transition recommendations on CDFI Fund [PDF]. https://www.cdbanks.org/sites/default/files/pdfs/2024-12-31%20CDBA%20Transition%20Recommendations%20on%20CDFI%20Fund_final_3%20%282%29.pdf

⁷ Small Business Administration. (2023, March 14). What's new with small business.

<https://advocacy.sba.gov/2023/03/14/whats-new-with-small-business/>



the capital used to finance these businesses.⁸ Consequently, it is no surprise that data from the credit union trade association, America’s Credit Unions, indicates that credit unions have a \$297 billion economic impact or that a key component of achieving that impact stems from \$105.9 billion in outstanding small business loans from Low Income Designated credit unions. These numbers suggest that, in the banking context—despite the fast pace of technological innovation and its evolving impact on how consumers engage with the financial market—the lending process to small businesses in the United States remains largely unchanged. It is still local. It is still heavily “relationship-oriented.”⁹ And it is still “staff-intensive.”¹⁰

That is why, when the nation was facing economic challenges brought about by the pandemic, community banking institutions led the charge to assist small businesses. According to data from the Independent Community Bankers Association, community banking institutions provided, “4.7 million PPP loans worth \$429 billion served 55.8 percent of all PPP recipients and accounted for nearly 60 percent of the program’s total loan amount.”¹¹ Within that lending, community banks made “nearly 87 percent of the PPP loans to minority-owned small businesses, 81 percent of the PPP loans to women-owned small business, and nearly 69 percent of the PPP

⁸ See Speech by Governor Lael Brainard, “Community Banks, Small Business Credit, and Online Lending” (September 30, 2015), available at <https://www.federalreserve.gov/newsevents/speech/brainard20150930a.htm>.

⁹ FDIC Chairman Martin J. Gruenberg, “Speech, 12th Annual Community Banking Research Conference,” (Oct. 2, 2024), available at <https://www.fdic.gov/news/speeches/2024/remarks-chairman-martin-j-gruenberg>.

¹⁰ FDIC Chairman Martin J. Gruenberg, “Speech, 12th Annual Community Banking Research Conference,” (Oct. 2, 2024), available at <https://www.fdic.gov/news/speeches/2024/remarks-chairman-martin-j-gruenberg>.

¹¹ Independent Community Bankers of America, “Testimony of Alice P. Frazier Before the United States House of Representatives Committee on Small Business, Hearing on ‘Empowering Employee Owned Businesses and Cooperatives Through Access to Capital,’” at 2 (September 30, 2021), available at <https://www.congress.gov/117/meeting/house/114081/witnesses/HHRG-117-SM00-Wstate-FrazierA-20210930.pdf>



loans to veteran-owned small businesses.”¹² That focus on delivering loans to traditionally underserved businesses is key given the prevalence of data showing that minority and women-owned businesses are, in fact, the fastest growing segments of all small businesses in the United States,¹³ and the demographic reality that minority populations currently account for 8 out of 10 net-new households in the United States.

But the impact of community banking institutions doesn’t stop there. Many CDFIs have also been instrumental in both educating individual consumers and providing small businesses with the technical assistance they need to scale.¹⁴ Their work in this respect, according to the Opportunity Finance Network, complements CDFIs’ more than \$111 billion in financing for rural, urban, and Native American communities that, through 2022, produced 14,000 community facilities, funded 850,000 microenterprises and other small businesses, added 2.4 million additional housing units, and helped create or maintain 3 million jobs.¹⁵

B. The Current Strong, But Flexible, Federal Regulatory Environment Helps to Keep Community Banking Safe for Everyone Involved.

As this Committee considers the regulatory burdens facing community banking institutions, it is important for policymakers to remember why financial regulations are essential to preserving the health of this nation’s economy. Done correctly, responsible financial regulations are a good thing. They protect consumers from abusive and harmful financial

¹² *Id.*

¹³ See United States Census Bureau, “Census Bureau Releases New Data on Minority-Owned, Veteran-Owned and Women-Owned Businesses,”

¹⁴ <https://www.cdfifund.gov/programs-training/programs/cdfi-program>

¹⁵ OFN Annual Member Survey, FY 2022, available at <https://www.ofn.org/cdfi-impact/>.

products while increasing access to beneficial financial products, help ensure the safety and soundness of financial institutions like community banks, CDFIs, and credit unions, and prevent systemic risk from threatening to undermine the nation’s financial market as a whole.

1. History Reminds Us of Why We Need to Keep Strong Federal Oversight and Consumer Protections in Place.

Recent history has already shown us the consequences of under regulation and relaxed supervision in the financial market. In addition to the recent failures of regional banks Silicon Valley Bank (SVB), Signature Bank, and First Republic Bank—which were attributed, in part, to lax regulatory supervision¹⁶—we cannot afford to forget that, in the wake of the 2008 financial crisis, more than six million American consumers lost their homes through foreclosure.¹⁷ And, according to the Federal Deposit Insurance Corporation, more than 500 banks shuttered their doors—with most of those institutions being community banks.¹⁸ In the absence of effective regulation pre-crisis, community banks were often forced, unsuccessfully, to compete for funding with irresponsible lenders.

The failure to have a responsible regulatory environment also resulted in taxpayers paying \$7 trillion to bail out financial institutions through loans and, according to some reports,

¹⁶ Fed, Fed announces the results from the review of the supervision and regulation of Silicon Valley Bank, led by Vice Chair for Supervision Barr (Apr. 28, 2023).

¹⁷ NYU School of Law, “Starting Over: Michael Ohlrogge tracks post-foreclosure outcomes during the Great Recession”, available at HYPERLINK "<https://www.law.nyu.edu/news/ideas/michael-ohlrogge-great-recession-foreclosures>"<https://www.law.nyu.edu/news/ideas/michael-ohlrogge-great-recession-foreclosures>. (last accessed 02/02/25).

¹⁸ Federal Deposit Insurance Corporation, Failed Bank List, accessed at <https://www.fdic.gov/bank/individual/failed/banklist.html>



an additional \$22 trillion through the federal government’s purchase of assets.¹⁹ In addition, our nation’s economy was undermined and plunged into a severe recession. To put it bluntly, community banks had to close shop, people lost their jobs, small businesses went under, and many Americans—from small entrepreneurs to families—struggled to make ends meet because they were unable to obtain the credit and capital they needed to sustain their financial position or expand their asset base.

The negative nature of these consequences should make one thing clear:

Proactive, responsible financial regulations—like those enacted under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank)²⁰—are both necessary and key to protecting consumers, taxpayers, small businesses, community banking institutions, and the nation’s economy overall.

And it should be equally clear that oversight is necessary for every actor in the financial market, whether they are as large as Citigroup, a mid-size regional institution, a community bank lender, CDFI, or credit union like CRL’s own affiliate, Self-Help, or a fintech, non-depository lender offering earned wage advance products like Earnin. All financial institutions—including non-depositories—benefit from the underlying purposes of financial regulation: protecting consumers, ensuring the safety and soundness of these institutions, preventing unfair competition, and defending the nation’s financial market from systemic risk.

¹⁹ John Carney, “The Size of the Bank Bailout: \$29 Trillion,” CNBC, December 14, 2011, accessed at <http://www.cnbc.com/id/45674390#>.

²⁰ Public Law 111-203 (2010).



2. Within the Financial Regulatory Environment, Flexibility Remains Key.

This is not to suggest, however, that federal financial regulations or oversight should adopt a “one size fits all” approach. To the contrary, because of the important role that community banks, CDFIs, and credit unions play, CRL continues to believe that—while customers of financial institutions of all sizes need and deserve core consumer protections—it is nonetheless appropriate to tailor these regulations to the size and complexity of the institutions. Importantly, the CFPB has been a leader in developing such tailored rules. For example, the Bureau’s Ability to Repay and Qualified Mortgage rule contain a provision permitting small lenders operating in rural or underserved areas to make balloon payment mortgages and also contain more flexible standards for defining qualified mortgages for smaller lenders. Similarly, the Bureau’s escrow rule, mortgage servicing rule, remittance rule, and HMDA reporting rule all contained exemptions for smaller providers of these products.

And, because these points are especially relevant to today’s hearing, it is important to remember that the Bureau’s overdraft rule covers only the largest financial institutions and the Bureau’s small business data collection rule excludes lenders making fewer than 100 small business loans—an exemption which applies to roughly 90% of small lenders according to the Bureau’s estimates. Additionally, the Bureau has scaled the effective date for the rule to the size of the covered institutions, so that the smaller lenders covered by the rule—those originating between 100 and 250 loans per year—have an additional 15 months to comply after the rule takes effect for the largest covered lenders. CRL believes that these actions demonstrate how the CFPB, in particular, has adopted a positive approach to implementing regulatory flexibility for smaller financial institutions.



II. Community Banking Can Become Even Greater if We Adopt a Common-Sense Approach to New Legislation and Regulations.

CRL continues to believe that the best approach to making community banking even greater is to first listen to community banking institutions and the consumers who use them. For example, in the 2024 Annual Survey of Community Banks by the Conference of State Banking Supervisors, institutions identified net interest margins and the cost of funds as the two most extremely important, external risks facing community banks today.²¹ Highlighting this point is both timely and relevant given that **NONE** of the legislative proposals being considered in connection with today’s hearing would either directly or indirectly address these issues.

Instead, the Committee appears to confuse the interests of this nation’s largest banks with those of community bankers. A key example of this is consideration of the draft resolution to repeal the CFPB’s recent overdraft rule—a regulation that, by its own terms, does not apply to community banking institutions.²² Rather than allow large financial institutions to advance their own interests under the guise of improving the business environment for community lenders, CRL urges the Committee to devote its attention to the important, and often bipartisan, policy opportunities that exist which can actually help community banks be greater. Examples of these opportunities are:

²¹ Conference of State Banking Supervisors, 2024 CSBS Annual Survey of Community Banks at 7, available at <https://www.csbs.org/sites/default/files/other-files/FINAL2024CSBSSurvey.pdf>.

²² See Consumer Financial Protection Bureau, Overdraft Lending: Very Large Financial Institutions, Docket No. CFPB-2024-0002, RIN 3170-AA42, at 240 (“This final rule will affect the consumer business of certain depository institutions with more than \$10 billion in assets.”), available at https://files.consumerfinance.gov/f/documents/cfpb_overdraft-final-rule_2024-12.pdf.

- (1) Improving the efficiency of anti-money laundering reporting requirements in order to reduce compliance costs for small lenders;²³
- (2) Reimplementing pandemic-era provisions that expanded small credit unions' access to the National Credit Union Administration's Central Liquidity Facility by allowing corporate credit unions to act as agents for smaller, non-CLF member credit unions having less than \$250 million in assets;²⁴
- (3) Examining proposals to increase the deposit insurance cap for small business accounts;
- (4) Leveling the playing field between traditional depository institutions and fintech providers by requiring fintechs to comply with existing consumer protection laws;²⁵
- (5) Increasing federal technical and financial assistance for community lending institutions in a manner similar to the bipartisan \$12 billion funding allocation for capital investments in CDFIs and community banks with MDI designations in 2020; and
- (6) Reducing business uncertainty by encouraging administration and agency officials to refrain from issuing orders that: (a) freeze the federal grant funds used by community lenders and their small business clients, or (b) direct those lenders to stop engaging in activities that directly benefit underserved businesses and communities.²⁶

Finally, to directly address concerns about cost of funds and net interest margins, both Congress and the Administration should be considering policies that would better position community depository lenders to compete for low-cost funding sources against other institutions, such as investment firms and fintech lenders. These changes represent meaningful opportunities

²³ See ICBA White Paper, "MODERNIZING ANTI-MONEY LAUNDERING AND ANTI-TERRORIST FINANCING LAWS AND REGULATIONS," (July 2018), available at <https://www.icba.org/docs/default-source/icba/advocacy-documents/bsa-white-paper.pdf>.

²⁴ See Jim Nussle for America's Credit Unions, Letter Re: Today's Hearing: "Lender of Last Resort: Issues with the Fed Discount Window and Emergency Lending," (February 15, 2024).

²⁵ See Testimony of Mitria W. Spotser, United States House of Representatives Committee on Financial Services "Modernizing Financial Services Through Innovation and Competition" (October 25, 2023), available at <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408989>.

²⁶ See, e.g., OMB Memorandum M-25-13; Exec. Order No. XXXX, 3 C.F.R. XXX (2025), "Ending Radical and Wasteful Government DEI Programs and Preferencing," available at <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>.



to advance the interests of community lenders, while also preserving protections for the consumers that they serve.

With respect to these consumers, CRL notes that many of the proposals being considered by the Committee today are in direct conflict with the public will. Specifically, a bipartisan poll conducted by Lake Research Partners and Chesapeake Beach Consulting finds that, across party lines:

- '> Voters overwhelmingly believe regulation of financial services to protect consumers is important, and that there should be more of it[;]
- > They strongly support CFPB policies to limit excessive credit card late fees, reduce bank overdraft charges, and limit the impact of medical debt on credit reports [; and]
- > Bipartisan majorities support CFPB action to fight discrimination in all areas of banking, including through greater transparency around small business loans.”²⁷

III. Many of the Legislative Proposals Considered at Today’s Hearing May Harm, Rather than Help, Community Lenders and the Communities They Serve.

Given this reality, we have serious concerns that many of the legislative proposals being considered at today’s hearing could do more harm than good.

CRL opposes the rescission of the CFPB’s overdraft rule.²⁸ The resolution seeks to rescind CFPB’s final overdraft fee rule, which closes an outdated loophole that has promoted abusive practices and allowed the nation’s biggest banks to earn billions in profits from the most

²⁷ Celinda Lake, David Mermin, Emily Garner, Lake Research Partners, Robert Carpenter, Chesapeake Beach Consulting, “New Bipartisan Polling Shows Support for Financial Regulation,” (September 5, 2024), available at <https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/poll-lake-research-cfpb-sep2024.pdf>.

²⁸ [Resolution of disapproval OD Rule](#), CFPB. Overdraft Lending: Very Large Financial Institutions. 89 Fed. Reg. 249. December 30, 2024 at 106768.



financially vulnerable families. If allowed to proceed, the Bureau’s overdraft will save households \$5 billion annually.²⁹ The rule will help reduce exploitive practices and increase fairness and transparency. Most debit card overdrafts are for less than \$26 —far below the typical fee—and are repaid within 3 days, resulting in the equivalent of a 16,000 percent annual percentage rate (APR) loan, often for transactions consumers would rather have denied.³⁰ Banks have also charged overdraft fees when the account had sufficient funds, manipulated the order of transactions, and engaged in other abuses.³¹ Finally, overdraft causes tens of millions of account closures each and is a top reason for debanking by underserved consumers.³²

CRL also believes that Dodd Frank’s Section 1071 and the mission to increase transparency in small business lending should not be subject to more roadblocks. Three of the proposed bills being considered by the Committee in connection with this hearing will either roll back or block section 1071, an amendment to the Equal Credit Opportunity Act³³ that requires financial institutions to collect demographic data on small businesses and to provide this information to

²⁹ CFPB. [\[Press Release\]](#) “CFPB Closes Overdraft Loophole to Save Americans Billions in Fees” Dec. 12, 2024

³⁰ CFPB. [Fact sheet]. “The CFPB’s proposed rule to curb excessive fees on overdraft loans by very large banks and close a decades old loophole.” 2024.)

³¹ [CFPB Takes Action to Stop Banks from Harvesting Overdraft Fees Without Consumers' Consent | Consumer Financial Protection Bureau](#)

³² Harvard Business School, “Bouncing Out of the Banking System: An Empirical Analysis of Involuntary Bank Account Closures,” Dennis Campbell, Asis Martinez-Jerez, and Peter Tufano, April 2012, <https://www.hbs.edu/faculty/Pages/item.aspx?num=41390>; Consumer Financial Protection Bureau, Federal Register Notice, “Final Rule on Overdraft Lending: Very Large Financial Institutions,” December 30, 2024, <https://www.federalregister.gov/documents/2024/12/30/2024-29699/overdraft-lending-very-large-financial-institutions#footnote-65-p106773>.

³³ Title VII of the Consumer Credit Protection Act 15 U.S.C. §§ 1691-1691f



the CFPB. The rule, which was finalized in 2023, is only triggered when a financial institution annually accepts at least 100 applications for small business credit.³⁴

Currently, there is almost no nationwide data on small business lending.³⁵ Implementation of Section 1071 will provide consumers, industry, and regulators with a better understanding of the small business marketplace; allowing regulators to identify lending deserts, better tailor and narrow regulatory focus, and accomplish the statute’s purpose “to facilitate enforcement of fair lending laws and enable communities, governmental entities, and creditors to identify business and community development needs and opportunities for women-owned, minority-owned, and small businesses.³⁶”

For these reasons, CRL opposes the first two bills listed below and has some concerns regarding the third bill surrounding Section 1071 that the committee will consider today:

- *The 1071 Repeal to Protect Small Business Lending Act*³⁷ would repeal Section 1071 of the Dodd-Frank Act. CRL opposes this bill because it will continue the status quo of opaqueness surrounding small business lending and the continuation of discriminatory lending practices. Businesses can only expand if they have access to credit. An informed consumer decision is only possible if the consumer is able to understand the small business marketplace which requires the very data that passage of this bill will stop from collecting and making available to the public.

³⁴ Consumer Financial Protection Bureau. (2023). Final Small Business Lending Rule, 88 FR 35150.

³⁵ Consumer Financial Protection Bureau, Key Dimensions of the Small Business Lending Landscape at 19 (May 2017), <https://bit.ly/2Uu7D23>

³⁶ 15 U.S.C.A. § 1691c-2. In U.S. Code Annotated. Retrieved February 3, 2025, from <https://uscode.house.gov/>

³⁷ [1071 Repeal to Protect Small Business Lending Act](#)

- *The Small Lenders Exempt from New Data and Excessive Reporting (LENDER) Act*³⁸ would exempt the smallest financial institutions from the data collection requirements of Section 1071 and also narrow the definition of a small business. The CFPB elected to define small businesses as those with under \$5,000,000 in revenue and exempt financial institutions making fewer than 100 small business loans from coverage of the rule. The CFPB also provided for a phased implementation period, with the rule becoming effective for the largest institutions in July 2025, and for smaller institutions in 2026.

The exemption the CFPB adopted covers over 80% of all small business lenders while still covering 91% to 94% of all small business loans. In contrast, this bill would cover only loans made to businesses with under \$1,000,000 in revenue; would increase the reporting threshold to 500 loans, thereby exempt an additional 10% to 15% of all lenders; and would delay the effective date until March 2026. The CRL believes that the CFPB struck an appropriate balance between minimizing regulatory burden on small lenders while still serving the core purposes of the rule and thus supports the Rule's current definition of small business, its reporting threshold, and its implementation timeline. We are, however, open to exploring with the Committee whether some adjustments in the reporting threshold and in the implementation timeline for smaller entities is warranted.

³⁸ [Small LENDER Act](#)

- *The Bank Loan Privacy Act*³⁹ would restrict the CFPB’s ability to delete or modify data that is made public under Section 1071. The statute currently requires that 1071 data be “made available to the public generally by the Bureau, in such form and in such manner as is determined by the Bureau, by regulation” and the statute allows the CFPB to “delete or modify data collected under this section which is or will be available to the public, if the Bureau determines that the deletion or modification of the data would advance a privacy interest.” Under this bill, the Bureau could only make such deletions or modifications by rule following notice and comment. We are uncertain as to the rationale for this restriction. There is, we believe, a widespread agreement as to the importance of protecting the privacy interests of applicants for small business loans. To the extent that doing so requires redacting or modifying data that is collected to reduce the risk of reidentification or to otherwise protect privacy the CFPB should have the flexibility to do so as experience shows such redactions or modification to be appropriate. Requiring rulemaking before this can occur could serve to delay business privacy protections.

CRL also believes that altering requirements that promote safety and soundness is generally a bad idea for community banks, taxpayers, and the financial market. Accordingly, we also have significant concerns with the bills listed below in their current state:

- *HR 478: The Promoting New Bank Formation Act*,⁴⁰ seeks to increase the number of de novo bank charters by reducing capital and other regulatory hurdles, especially during

³⁹ [Bank Loan Privacy Act](#)

⁴⁰ [Promoting New Bank Formation Act](#)

their first three years, with additional capital reductions for *rural* de novo community banks. It would limit regulatory review of revised business plans for *de novo* banks to 30 days (otherwise they would be automatically approved) and eliminate a cap on agricultural loans. Though CRL is supportive of the desire to spur the creation of *de novo* banks, especially in the increasing number of banking deserts found in rural and marginalized communities, we think it is critical to remind policymakers of the risks involved.

Though lowering capital requirements for de novo institutions, particularly in areas considered “banking deserts” may seem to be a feasible strategy for attracting banking to these areas, historical performance appears to indicate that operating expenses tend to be higher for institutions operating in such areas and growth opportunities can be limited. With thinner margins and higher operating expenses, lower capital requirements on these de novo banks could serve to increase the inherent risk exposure for these institutions with the excess risk underwritten by the deposit insurance fund.

Capital requirements are established based on the risk profile and appetite of the deposit de novo institution’s business plan. Smaller de novos tend not to have access to costly capital raising options through the open markets, so phasing in capital requirements over time could prove difficult in such communities, particularly if the organization does not perform in line with its established and approved business plan.



- We also oppose the *Fair Audits and Inspections for Regulators (FAIR) Exams Act*⁴¹ which, in its current form, would allow larger banks and community banks to delay material supervisory determinations by invoking an appeals process through an independent examiner. Federal regulators would be required to defer to these decisions and the delay could raise safety and soundness considerations by allowing institutions to fail to address compliance issues in a timely manner.

Conclusion

Thank you again for the opportunity to testify on the important role that community banking plays in our financial markets and how that role can be strengthened by the adoption of commonsense policies that protect consumers, support relationship-based banking, and maintain the safety and soundness of our financial markets to the benefit of all involved. We welcome the opportunity to work with all members of this Committee to expand the positive impact that community-based banking has on the economy.

⁴¹ [Fair Audits and Inspections for Regulations Exams Act](#)