

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce supports four bills that may be voted on this week in the House of Representatives. Together, these bipartisan bills would enhance due process and transparency in the bank examination process, properly tailor regulation for small and mid-size lending institutions without increasing risk, and help growing companies raise the capital needed to expand and hire new employees.

H.R. 4061, the “Financial Stability Oversight Council Improvement Act of 2017,” would make sensible improvements to the process for subjecting nonbank financial companies to heightened supervision and regulation under section 113 of the Dodd-Frank Act. Specifically, H.R. 4061 would allow nonbank financial companies that are potentially subject to a section 113 designation to submit a plan to modify the company’s businesses, structure, and operations in order to mitigate the risks identified. This would allow the company to voluntarily “de-risk” prior to a determination. In addition, the bill would provide annual and periodic reevaluations of section 113 determinations.

H.R. 1116, the “Taking Account of Institutions with Low Operation Risk Act of 2017 (TAILOR) Act,” would direct the federal banking regulators to scale their rulemakings in order to properly reflect the various risk profiles of financial institutions. “One size fits all” regulations have hampered the ability of community and regional lenders to serve American households and small businesses in their communities. This legislation would ensure such lenders are subject to regulatory regimes commensurate with their activities and risk profile.

H.R. 4545, the “Financial Institutions Examination Fairness and Reform Act,” would significantly reduce the burden of bank examination process by requiring better communications between bank examiners and financial institutions, and improving the appeals process for lenders. This would help create a fair and streamlined process to allow exams to be reviewed, mistakes corrected, and issues discovered in an exam to be remedied in an efficient manner.

H.R. 4263, the “Regulation A+ Improvement Act,” would increase the amount that businesses are able to raise under “Regulation A+,” which offers an exemption from the full reporting requirements under the Securities Exchange Act. Regulation A+ was created by the 2012 Jumpstart our Businesses Startups (“JOBS”) Act and is currently capped at \$50 million for “Tier 2” offerings. Due to the compliance and other costs associated with completing Regulation A+ offerings, however, the \$50 million threshold serves as a deterrent from using the exemption. Raising the exemption level would make Regulation A+ more attractive and help the JOBS Act reach its full potential.

We commend the House of Representatives for prioritizing regulatory reform in the 115th Congress, and urge the House to pass these bills as expeditiously as possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley". The signature is fluid and cursive, with a large loop at the end.

Neil L. Bradley