March XX, 2016

The Honorable Janet Yellen
Chair of the Fed
Board of Governors of the Federal Reserve System
Twentieth Street and Constitution Avenue, NW
Washington, D.C. 20551

The Honorable Tom Curry
Comptroller of the Currency
U.S. Department of the Treasury
400 7th Street, SW
Washington, D.C. 20219

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 Seventeenth Street, NW
Washington, D.C. 20429

The Honorable Deborah Matz
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

The Honorable Richard Cordray
Director
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Ladies and Gentleman:

The undersigned Members of Congress, representing a cross-section of rural, suburban and urban districts across this country, write to express our deep concern over the crushing impact that ever-expanding regulatory burdens are having on the ability of our nation's financial institutions, particularly community banks, to serve the economic needs of our growing economy. The aggregate weight of these new regulations is stifling the efforts of community lending institutions to serve the economic needs of the individuals, businesses and local communities that are the life blood of our nation.

While opinions differ on the necessity of various regulations, one concept of how regulations should be structured has been uniformly embraced – the need to "tailor" regulations so that they are the right "fit" for the institution involved. Rules must differentiate by business model, risk profile and also take into account whether the institution has the resources available to comply. Unfortunately, it is apparent from the current regulatory requirements that this is not the case. We should not be operating in a regulatory environment where a "best practice" for some is applied to all institutions regardless of size because the practical impact for banks of various sizes – community, mid-size, regional and the like – is consolidation or failure and as a result the communities they serve suffer. When, for example, community banks are subject to international capital rules designed for global banks, something is wrong with the way regulations are being applied. When regulators fail to fully grasp the compliance burdens of the many new mortgage rules to the point that financial institutions *exit the mortgage business*, it is abundantly clear that tailoring efforts have fallen short.

The failure to effectively calibrate the regulatory response to match the level of risk posed by the institutions has had a real impact on the ability of institutions to serve their communities.

So that we may better understand how the regulators are addressing our concerns and what obstacles exist that keep them from doing so, we respectfully ask that you provide us with the following information:

- Please identify specific major areas where regulators have taken action within your jurisdiction to tailor rules to the business model and risk of institutions or classes of institutions, outlining how you have done so.

- Please identity specific major areas where regulators lack the authority to tailor regulations to specific institutions or classes of institutions based on business model or risk, and where you believe additional authority would be helpful.

- Please identify specific major areas where regulators contemplate taking additional action to tailor regulations based on business model and risk, along with some thoughts with how you may do so.

The undersigned recognize that regulators have been tasked with substantial responsibilities to craft balanced regulations that address broad policy concerns while not creating unintended consequences. Given the urgency of this issue, we need to do more, and we look for your guidance in doing so.

Respectfully,

Scott Tipton Member of Congress	David Scott Member of Congress