# Dodd-Frank Act

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**Passed in 2010, the Dodd-Frank Act represented the biggest re-write of financial regulations in decades. It was approved along party-lines, spanned more 2,300 pages and implemented more than 400 new rules and mandates.**

**Policymakers and bankers alike agree that the legislation needs to be recalibrated.**

- In May 2018, President Trump signed S.2155 - Economic Growth, Regulatory Relief, and Consumer Protection Act into law. S. 2155 received support from Democratic and Republican lawmakers and represents a commonsense approach to tailoring regulations to a bank's risk and business model.

**Much of Dodd-Frank has remained unchanged.**

- Dodd-Frank contains several provisions supported by the industry and aimed at preventing a repeat of the financial crisis. These include:
  - An emphasis on adequate procedures for resolving the failure of any bank, regardless of size, ending "too big to fail."
  - Creating a systemic risk oversight council to identify risks so that they can be addressed early.
- The bill also contains many unrelated provisions that make it harder for banks to serve their customers and communities.
- While bankers support many Dodd-Frank reforms, including federal supervision of the shadow banking industry, layers upon layers of ill-fitting regulations have been applied to the whole industry, making it more difficult for customers to buy a home, expand a small business or achieve other important financial goals, restraining the ability of banks to promote economic growth.
- The most unfortunate aspect of Dodd-Frank is that it increases regulation to such a degree that banks' first attention is being drawn away from their customers and instead directed to the federal regulators.

**Banks are encouraged by recent actions taken by Congress and bank regulators.**

- S. 2155 passed in 2018 with support from both Democratic and Republican lawmakers. In the House, 33 Democrats and nearly all Republicans voted in favor of the legislation. In the Senate, the bill received support from 16 Democrats, 50 Republicans and one Independent.
- The regulators at the FDIC, Fed and OCC have been tasked with implementing S. 2155 and have done so appropriately, by fulfilling the spirit of the law which is that regulations should be properly tailored to a bank's business model and risk.

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- In June 2017, Treasury released a report containing many recommendations for regulatory reforms that would allow banks to better serve their customers and communities without compromising safety and soundness.

- We're committed to working with the administration and regulators on these recommendations to allow banks to better serve their customers and communities, without compromising safety and soundness.

**Dodd-Frank has had an impact on banks of all sizes and has made it more difficult for them to meet their customers' needs.**

- **Excessive rules and regulatory red tape.** Bank customers and the banks that serve them, as well as the economy overall, have felt the consequences.

- **Dodd-Frank has had an impact on lending.** Regulations coming out of Washington have made it more difficult for people to qualify for a mortgage, which is holding back the housing recovery.

- **Community banks are disappearing.** Almost 2,000 community banks have disappeared since the end of 2010. Today, it is not unusual to hear bankers—from strong, healthy banks—say they are ready to sell because the regulatory burden has become too much to manage. Each bank that disappears from the community makes that community poorer.

- **The bottom line - every law can be improved, and Dodd-Frank is no exception**. Sometimes there are drafting errors. Sometimes a good idea in theory turns out to be unworkable after a closer look in the light of day. As an industry, we must continue to work with members of Congress on both sides of the aisle to advance bipartisan proposals that would remove many of the statutory and regulatory barriers that constrain banks' ability to serve their customers, meet the needs of their local communities, and accelerate economic growth.

**The industry remains concerned about how certain Dodd-Frank rules affect bank customers.**

- The "Durbin Amendment," which put a cap on fees banks can charge retailers to process debit transactions, has made it harder for banks to provide free checking to their customers.

- The number and complexity of the Dodd-Frank rules make it difficult for banks to make business plans for the future and in particular.

- Dodd-Frank regulations have made it more difficult for people to qualify for a mortgage. Complex, qualified mortgage rules continue to put bankers in a box, limiting credit availability in a manner that has held back the housing recovery and harmed consumers.

 