

*Bob Dole*



**NEWS**

**U. S. SENATOR FOR KANSAS**

**FROM:**

**SENATE REPUBLICAN LEADER**

FOR IMMEDIATE RELEASE  
JUNE 2, 1992

CONTACT: WALT RIKER  
(202) 224-5358

## **SMALL BANK REGULATORY RELIEF**

### **DOLE BILL WOULD RELIEVE OVER-REGULATION ON SMALL TOWN BANKS; "HIDDEN TAX" OF REGULATION THREATENING COMMUNITY LENDERS**

WASHINGTON -- Senate Republican Leader Bob Dole (R-Kansas) today introduced legislation to relieve the unnecessary regulatory burden imposed on this nation's small town banks. Dole's legislation is designed to help community banks with assets less than \$100 million survive in an atmosphere where thousands of pages of new regulations have been imposed in the past decade.

Dole's legislation is aimed at scrapping duplicative and unnecessary requirements that amount to a "hidden tax" on small banks and their customers, which include small businesses, farmers and consumers. The unnecessary regulations drain money that could otherwise be used for providing loans, helping businesses and creating jobs.

"The Community Bank Regulatory Relief Act of 1992 is a step towards relieving small community banks from some unneeded regulations that do nothing except drive up the cost of doing business," Dole said. "While the Savings & Loan debacle demonstrated that we need commonsense regulation of our financial institutions, it is also clear that there are some regulations our small banks don't need. Let's face it, the 'hidden tax' of over-regulation is a tax that our community banks -- and the farmers and small businesses on main street who depend on them -- can live without."

"In my state of Kansas, 311 banks -- or 60 percent of the state's total -- have 15 or fewer employees and average just more than \$17 million in total deposits," Dole added. "If we continue to mindlessly heap on new requirement after new requirement, we will be adding small banks such as these -- which are so important to promoting economic vitality in small and rural communities -- to America's endangered species list."

Title I of the legislation addresses a number of specific regulatory requirements that are unnecessary or are a bad fit for small banks. These provisions, among others, include an exemption for small banks in small communities from the Community Reinvestment Act, exemptions from data and information gathering requirements, a moratorium on certain new regulations pending completion of cost-benefit analyses, and a requirement that all bank regulatory agencies coordinate their actions to ensure consistency and uniformity of standards.

Title II of the legislation clarifies circumstances under which lenders will be held liable for environmental damage at their borrowers' facilities and promotes sound environmental policy by ensuring access to private capital for business to upgrade their environmental compliance and to help clean up existing contamination.

Speaking in Toronto Monday, U.S. Treasury Secretary Nicholas Brady endorsed Dole's efforts to relieve community banks of unnecessary and duplicative regulations.

###