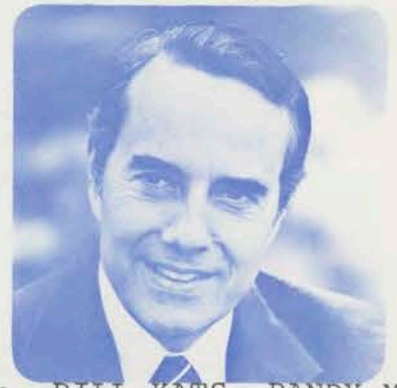


News from Senator

BOB DOLE



(R - Kansas) 2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, JULY 27, 1979

CONTACT: BILL KATS, RANDY MILLE
202-224-8947, -8950

SIMPLIFICATION NEEDED TO SLASH COSTS OF REGULATION OF FINANCIAL INSTITUTIONS, DOLE SAYS.

WASHINGTON -- Citing the "staggering costs of government regulation of business," Sen. Bob Dole (R-Kan.) today introduced a bill aimed at reducing and simplifying federal regulations governing financial institutions. The bill, the Financial Regulation Simplification Act, is cosponsored by several Republican members of the Banking Committee.

"Our nation's financial community is increasingly burdened," Senator Dole said, "by new and changing federal regulations. At least 83 federal agencies now issue regulations which directly affect the financial institutions, and 216 federal governmental agencies have issued regulations which indirectly affect them. There are 64,000 pages of regulations which constitute an excess of 4,000 regulations that are time-consuming and often inconsistent. Some type of reform is needed."

The act, which would require the federal financial regulatory agencies to periodically review existing regulations, also cites six specific policy criteria which must be used as a standard in issuing any new regulation. "Under this bill," Dole said, "the need for the regulation must be clearly established and regulations must be clearly and simply written. Compliance costs are to be minimized, meaningful alternatives considered, complications and duplications avoided, and participation and comment available. Each agency would establish a program to ensure periodic review of regulations to reach these objectives, and would submit a report of its progress to the House and Senate Banking Committees.

"The costs of government regulation of business are staggering. Regulations contribute to our nation's severe inflation problem. Productivity growth is eroded. Innovation is stifled because of the smothering effect of cumbersome regulations. This legislation would require the agencies to consider the impacts of regulations on the financial community and consumers.

"This bill has received broad, bi-partisan support in the House, where the Banking Committee passed it unanimously last fall only to see it lost in the end-of-the-year crunch. It also had the backing of every major financial regulatory agency -- the Federal Depository Insurance Corporation, the National Credit Union Administration, the Federal Reserve Bank and the Federal Home Loan Bank Board. This support indicates a growing awareness that this type of reform is much needed.

"By approving this bill we can confidently say that we have contributed to restoring our nation's economic health. We can begin to ease the regulatory burden facing our financial institutions and streamline the regulatory process that now binds them in red tape."