



Oklahoma State Banking Department

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Volume 07, Number 01

March 23, 2015

Congressman Frank Lucas Holds Roundtable Policy Discussion at OSBD

We were pleased to host Congressman Frank Lucas as he held “The Future of Community Banking: A Roundtable Policy Discussion” on March 12, 2015. The purpose of the Roundtable was to discuss how current policy and regulation are impacting community banking and how Congressman Lucas as a senior Member of the House Financial Services Committee can address these issues to improve the future and viability of community banks.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 was enacted in response to the financial crisis of 2008 and 2009. It is a huge piece of legislation that required federal regulators to take on more than 400 rule-makings. It was supposed to end “too big to fail” and address the risk posed by the largest institutions that caused the crisis. Instead, it created a one-size-fits-all regulatory approach and has saddled community banks with pages and pages of new and overly burdensome regulations. This regulatory burden disproportionately impacts smaller institutions that lack the personnel and financial resources of larger institutions.

Additionally, community banks have seen a decline in market share and a trend towards consolidation as a result of Dodd-Frank. Congressman Lucas believes that we need to get community bankers back in the business of community banking and serving their communities. An important part of accomplishing this goal is to provide regulatory relief to community banks and encourage the creation and preservation of bank capital.

Other items on the Roundtable agenda included community bank representation on federal regulatory boards, data security, and how burdensome regulation impact consumer access to products and credit. While Congressman Lucas addressed each of these topics, he also fielded questions and comments from those attending.

One topic that led to a lively discussion was Congress’ current reluctance to define what “community banking” is. Commissioner Mick Thompson stated that it doesn’t matter what the definition is as long as there’s a process to allow institutions to petition their primary regulator for exemption if they can show that they truly operate as a community bank, regardless of size.

