

Cutting Red Tape for Main Street Montana

Community banks did not cause the financial crisis—and didn't get bailed out in its aftermath—but many have collapsed under the pressure of onerous regulations meant to rein in Wall Street. If community banks go away rural communities dry up. So Tester has introduced a bipartisan bill to roll back regulations on community banks, defend rural America, and protect consumers.

That means cutting red tape for Main Street Montana, building the economy, giving Montana families the ability to buy homes, allowing entrepreneurs to start businesses & helping small businesses expand.

Regulatory Relief

Community banks, credit unions, and regional banks do not pose the same risk as Wall Street banks, which is why Tester's legislation tailors regulation appropriately. Specifically, his bill:

- **Expands the number of banks eligible for an 18-month examination cycle;** this will apply to banks under \$3 billion in total consolidated assets.
- **Cuts reporting requirements** for depository institutions with less than \$5 billion in total consolidated assets.
- **Exempts community banks** with less than \$10 billion in assets from global capital standards, known as Basel III, as long as the bank is highly capitalized.
- Allows most banks with less than \$10 billion to be exempt from the Volcker rule, **saving community banks time and money from a rule meant for Wall Street banks.**
- Allows banks with under \$3 billion in total consolidated assets **to use the Small Bank Company Policy Holding Statement**, allowing them to operate with higher levels of debt.
- Raises the threshold for systemically important financial institutions from \$50 billion to \$250 billion in total consolidated assets, **allowing the Federal Reserve to tailor regulations** for banks in between \$100 billion and \$250 billion. This provision also keeps in place important stress testing requirements.



Mortgage Credit & Housing

Jon's legislation acknowledges that homeownership is a key to the American dream. His bill makes it easier for small financial institutions to lend to Montana families, while keeping key consumer protections in place. Specifically, his bill:

- Allows financial institution with less than \$10 billion in total consolidated assets to offer "qualified mortgages" under certain circumstances, **giving them the ability to offer Montanans more financing options.**
- Allows small financial institutions to opt out of certain escrow requirements in order to **lower closing costs for consumers.**
- **Reduces paperwork requirements** for rural housing authorities that support fewer than 550 households.

Consumer Protections

Tester's legislation increases protection for consumers who fall victim to fraud and tough financial times. Specifically, his bill:

- **Provides one free year of fraud alerts** for consumers impacted by the Wells Fargo scandal and the Equifax breach.
- **Gives consumers unlimited free credit freezes.**
- **Allows parents to turn on and off credit reporting** for their minor children.
- **Prevents credit bureaus from placing negative information on veterans' credit scores** for one year, due to mix-ups in Choice Program payments.
- **Prevents mortgage companies from kicking tenants out** of their rentals immediately if the landlord is foreclosed upon.
- Encourages banks to report suspicious behavior to **help prevent seniors from getting scammed.**