Wayne A. Abernathy
Bank Competencies

- Financial Intermediation: Savers/Borrowers
- Maturity Transformation
- Custodial Services
- Trust Services
- The Payments System
- Capital Formation
- Liquidity Provision
- Cash Management
- Government Finance
- Wealth Management
Repeated Congressional Reaffirmation

- National Bank Act: 1863, 1864 (OCC)
- Federal Reserve Act: 1913
- Federal Home Loan Bank Act of 1932
- The Banking Act of 1933 (FDIC)
- Gramm-Leach-Bliley Act: 1999
- Dodd-Frank Act: 2010
Diversity of Banks
For a Diversity of Customers

- Community Banks
- Regional Banks
- Money Center Banks
- International Banks
- Retail Banks
- Wholesale Banks
- Industrial Loan Companies
- Bankers Banks
- National Banks
- State Chartered Banks
- State Chartered Savings Banks
- State Chartered Mutual Savings Banks
- Federal Savings Associations
- Trust Banks

- State Chartered Trust Companies
- Custodial Banks
- Federal Mutual Savings Associations
- Private Banks
- Publicly-Traded Banks
- Privately-Held Banks
- S-Corporation Banks
- CDFI Banks
- Ag Banks
- Credit Card Banks
- Internet Banks
- Edge Act Corporations
- Agreement Corporations
- Foreign Bank Branches
Safety and Soundness

CAMELS
CAM LS
Changing Regulatory Attitudes

- Fed/OCC beating back Basel projects such as interest rate risk, step-in risk
- Fed stress test reforms (*Reforming the Reforms*)
- OCC Innovation, Bank Advantages
- FDIC encouragement for *de novos*
- BCFP recognizes value of banks for small dollar lending
- FFIEC Call Reports Reform
Elections & Reshuffling the Deck

• Accelerating Economic Growth: Banks Wanted
• Bank bashing is stale, lacks public interest
• Prudential reforms too complex for regulators & banks
Executive Memos and Orders

- Priebus Reg Pause Memo
- Hiring Freeze Memo
- 2-4-1 Executive Order
- Core Principles Executive Order
President Trump’s Core Principles

(a) Empower Americans
(b) Prevent Bailouts
(c) More Rigorous Analysis
(d) American Competitiveness
(e) U.S. Interests in Global Confabs
(f) Efficient, Effective, Tailored Regulation
(g) Accountability, Rationalized Framework
Our Task: Feed the Growth Opportunities

- Specific recommendations to reform the reforms: stress tests, capital regulation, liquidity, mortgage finance
- Put brakes on Basel
- Realization of FDIC hopes for *de novos*
- Institutionalize reg relief as ongoing exercise, Call Report reform as a model