



FLORIDA BANKERS ASSOCIATION

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CONGRESSIONAL LEADERS CALL FOR BALANCED ENFORCEMENT

WASHINGTON, D.C.—Eighteen bipartisan members of Congress signed a letter to our nation's bank regulators urging them to reevaluate non-financial regulatory policies imposed on financial institutions at a time when the U.S. economy is facing multiple challenges.

Laws such as the Patriot Act and the Bank Secrecy Act require U.S. banks to vouch for the credibility of financial institutions in other countries or know the political and personal background of customers. The requirements attempt to prevent or identify illegal acts including money laundering, terrorism plots and drug trafficking. However, there is very little evidence that the reports banks are required to submit have been a deterrent to illegal activity or a method of identifying criminal behavior.

"Bankers have long said that they will do their part to aid in the wars on drugs and terrorism," said Alex Sanchez, President and CEO of the Florida Bankers Association. "The problem is that banks are working to provide information to the government that is not being used at all or very little of it is. We just want to be sure regulators understand the impact of these regulations on bank customers and, ultimately, the economy. By alleviating extraordinary and unnecessary burdens, banks will remain focused on our customers, communities and the economy."

"Our hope is this letter from Congress will serve as a good reminder to the regulators that that we need a balanced enforcement approach. We cannot keep adding regulatory burden and deputizing bankers to become part of law enforcement without it having a negative impact on our industry and on the economy. Bankers aren't convinced that the reports mandated by these Acts have taken a bite out in our battle with the 'bad guys.' To date, no substantive evidence has been presented to our industry that the government is using this information to catch the 'bad guys,'" said Sanchez. It's time for regulators and their local examiners to re-examine their policies. "

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Banks and other financial institutions are highly regulated by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), the State of Florida Office of Financial Regulation (OFR), the Office of Thrift Supervision (OTS), the Federal Reserve Bank (FED) and the Financial Crimes Enforcement Network (FINCEN).

The letter to the regulators states that the cumulative effect of the regulatory initiatives may impact the health of the nation's banking system and its ability to carry out its fundamental functions thereby negatively affecting the nation's economy.

FDIC Chairman Sheila Bair, OCC Comptroller John Dugan, Fed Chairman Ben Bernanke, OTS Director John Reich and FINCEN Director James Freis were all recipients of the letter that outlined in detail the challenges of enforcing regulations:

“The traditional function of financial institutions has been to serve as the conduit for circulation of capital. They now have been given the additional role of an arm of law enforcement. Bankers are now in effect the policemen and their failure to perform that role to the satisfaction of the regulators will subject them to serious punishment.”

In closing, the bipartisan letter signed by: Reps. Tom Feeney, Robert Wexler, Mario Diaz Balart, Connie Mack, Ginny Brown-Waite, Allen Boyd, Ron Paul, Scott Garrett, Jeff Miller, Adam Putnam, Cliff Stearns, Lincoln Diaz-Balart, Tim Mahoney, Ileana Ros-Lehtinen, Ander Crenshaw, Vern Buchanan, Spencer Bachus and Randy Neugebauer asks for a response that includes steps that are being taken to address the concerns.

About the Florida Bankers Association: The Florida Bankers Association serves as the primary resource through which Florida financial service providers work in unity to influence the state and federal legal regulatory environment in which they serve their customers. Established in 1888, the FBA is one of Florida's oldest trade associations and has a membership of more than 400 financial institutions ranging in size from small community banks, thrifts, and trust companies to medium sized banks operating in several parts of the state, to large regional financial institutions that are headquartered in Florida or outside the state. Nearly 96 percent of banks operating in Florida are members.

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