THE RELIEVE ACT

Providing immediate regulatory relief for America's small insured depository institutions.

Senator Angus King, Senator Mark Warner, Senator Jon Tester, Senator Deb Fischer

America's small insured depository institutions, weighed down by an insidious combination of outdated regulations and new regulations, are struggling to continue to be engines of economic growth in their communities. As significant sources of credit and capital for small businesses in America, our small financial institutions fill a critical role in the economy that Congress should actively support.

This bill would update an outdated regulations, make technical corrections to the Dodd-Frank Act to ensure the continuance of small, strong financial institutions in our rural communities, and provide parity for the National Credit Union Share Insurance Fund with the Federal Deposit Insurance Corp. with respect to the insurance coverage of lawyer trust accounts and other escrow accounts. Similar versions of two of the bill's three provisions have already passed the U.S. House of Representatives – this is a bill that could provide relief NOW. The bill's provisions include:

1. Require the Federal Reserve to revise the Small Bank Holding Company Policy Statement so that the policy applies to bank holding companies and savings and loans holding companies with pro forma assets of less than $1 billion, an increase from the current threshold of $500 million. BHCs and SLHCs that qualify for treatment under the Policy Statement are allowed to use a higher amount of debt to finance acquisitions; enjoy simplified reporting requirements; and are subject to the Federal Reserve's capital guidelines at the bank level only, rather than on a consolidated basis. A similar version of this provision passed the House by voice vote in May 2014.

2. Improve the definition of "rural" so that more counties will be considered rural for the purposes of the rules of the Bureau of Consumer Financial Protection; increase the annual mortgage origination limit for rural creditors from 500 to 1,000 per year. Those small creditors that operate in a *Rural Area*, as defined by the CFPB, are eligible to originate balloon-payment QMs if they originate at least 50 percent of their first-lien mortgages in counties that are rural or underserved, have less than $2 billion in assets, and originate no more than 500 first-lien mortgages per year. By expanding the number of counties designated as rural and increasing the allowable number of first-lien mortgages that small, rural lenders can originate each year, this provision would improve liquidity in rural communities.

4. Provide credit unions parity with FDIC-insured institutions when it comes to deposit insurance coverage on Interest on Lawyers Trust Accounts (IOLTAs) and other escrow accounts. A similar version of this language passed the House by voice vote in May 2014.