

- Industry reform should focus on the Wall Street Investment Banks that ignored risks and nearly sent the world into a global depression not local banks that have always stood by their customers and have acted responsibly.
- There is a need to make sure that investment banks properly manage the relationship between risk and reward in the mortgage industry.
- H.R. 4173, as reported by committee, creates a new "Consumer Financial Protection Agency" (CFPA) with the power to dictate the conditions under which any financial product (loan, credit card, mortgage, line of credit, etc) could be offered making it next to impossible for banks to offer these services that many consumers rely on today.
- The CFPA would also be able to write rules for banks, both large and small, without consideration for the safety and soundness of the banks. These rules could drive small banks right out of the marketplace, creating more difficulties for small businesses to find access to the credit they need to survive.
- The bill would have a devastating impact on the Federal Home Loan Bank (FHLB) system by requiring a 20 percent "haircut" for secured creditors of "important financial institutions, shrinking the entire system. Smaller members would be forced to pay higher borrowing costs and will see a lower return on their investments. Less credit would be available from all lenders throughout the nation.
- The proposed legislation eliminates the uniform national law standards that preempt state laws pursuant to the National Bank Act and the Home Owners' Loan Act (aka the "Thrift Act"). Without these provisions, there would be a patchwork of often contradicting state laws that will confuse consumers and banks, and greatly increase the cost of financial services.