

April 19, 2023

The Honorable Charles Schumer
Senate Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Hakeem Jeffries
House Minority Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Tim Scott
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Speaker McCarthy, Majority Leader Schumer, Minority Leaders McConnell and Jeffries, Chairmen Brown and McHenry, and Ranking Members Scott and Waters:

On behalf of the American Bankers Association and the 51 state bankers associations, we write to underscore the strength and resiliency of the U.S. banking sector, powered by banks of all sizes, eager to serve every segment of the American economy.

While the recent failures of Silicon Valley Bank and Signature Bank need to be examined carefully, both by the industry and policymakers, they do not reflect the health and vitality of the overall sector. The U.S. banking system remains the deepest and most resilient in the world, and the diversity of banks serving communities across the country continues to be a source of strength for our economy. The nation's 4,700 banks, including community banks, midsize banks, regional banks, and large, globally active banks, compete every day for Americans' business. While banks may have different business models and strengths, institutions succeed when they meet the needs of the communities they serve.

No bank is defined by size alone, and clients and customers have a wide range of choices among different, sometimes overlapping specializations. Community banks are known for their focus on relationship, small business, and agricultural lending that have been the hallmark of small banks since this country's founding. Midsize and regional banks play an outsized role in serving the

needs of medium-size businesses and developing multifamily housing, while the largest banks have the size and scale necessary to run significant nationwide consumer lending businesses and meet the financial requirements of America's multinational corporations. Banks of every size and business model add unique value and are critically important to our financial system and our economy.

As Congress, regulators, and independent parties examine the idiosyncratic nature of these bank failures and consider potential policy responses, we urge policymakers to preserve America's competitive advantage by ensuring that banks of all sizes with diverse business models are allowed to compete and succeed in serving the needs of their communities. This can be done by tailoring regulatory rules and supervision to a bank's risk profile.

We encourage Congress to pursue policies that support the vibrant and competitive banking system that exists today and advance bipartisan legislation that would make it easier to open more de novo banks to meet the wide-ranging needs of customers and communities. Banks have always welcomed competition, as competition increases choice for American consumers and strengthens the communities they serve.

Americans know that there is no safer place for their hard-earned cash than in a bank, especially one they have come to trust over time. To reinforce that trust and confidence, we respectfully ask that you foster a business environment that allows all segments of the banking sector to compete and thrive. By doing so, you will be taking an important step in supporting the broader economy and expanding opportunity for all Americans.

Sincerely,

American Bankers Association
Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association
California Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
Delaware Bankers Association
Florida Bankers Association
Georgia Bankers Association
Hawaii Bankers Association
Idaho Bankers Association
Illinois Bankers Association
Indiana Bankers Association
Iowa Bankers Association
Kansas Bankers Association
Kentucky Bankers Association
Louisiana Bankers Association
Maine Bankers Association

Maryland Bankers Association
Massachusetts Bankers Association
Michigan Bankers Association
Minnesota Bankers Association
Mississippi Bankers Association
Missouri Bankers Association
Montana Bankers Association
Nebraska Bankers Association
Nevada Bankers Association
New Hampshire Bankers Association
New Jersey Bankers Association
New Mexico Bankers Association
New York Bankers Association
North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
Pennsylvania Bankers Association
Puerto Rico Bankers Association

Rhode Island Bankers Association
South Carolina Bankers Association
South Dakota Bankers Association
Tennessee Bankers Association
Texas Bankers Association
Utah Bankers Association

Vermont Bankers Association
Virginia Bankers Association
Washington Bankers Association
West Virginia Bankers Association
Wisconsin Bankers Association
Wyoming Bankers Association

cc: Members of the U.S. Senate
Members of the U.S. House of Representatives
Chairman Gruenberg, Federal Deposit Insurance Corporation
Vice Chair for Supervision Barr, Federal Reserve Board
Acting Comptroller Hsu, Office of the Comptroller of the Currency