**Independent Banker**

**December 2018**

**FROM THE TOP**

**“We’re already experiencing the tangible benefits.”**

By Tim Zimmerman, Chairman, ICBA

Tim Zimmerman is CEO of Standard Bank, Monroeville, Pa.

They say the days are long and the years are short. This is often used in the context of raising children, but it’s just as relevant for community bankers in 2018. While our days were sometimes a grind, together we achieved numerous historic advocacy gains that have had tangible benefits for community bankers.

We started 2018 digesting and implementing generational tax reform, which passed at the end of 2017 and features significant reductions in tax rates. Meanwhile, we kept our focus on pushing forward for regulatory relief.

Thanks to the cumulative impact of grassroots calls and emails, op-eds, petitions and meetings, the Economic Growth, Regulatory Relief, and Consumer Protection Act (S.2155) was passed and signed into law with strong bipartisan support! This landmark law unravels many of the suffocating regulatory burdens community banks face. For community bankers, it is already paying dividends and providing real regulatory relief.

Let’s start with mortgage lending. The expanded “qualified mortgage” safe harbor for portfolio loans will benefit the vast majority of community banks. The agencies have begun to act on the exemption from expanded Home Mortgage Disclosure Act reporting, shielding many local banks from this excessive regulatory burden. Meanwhile, they’re working to implement relief from mandatory escrow requirements. For those community bankers who have considered leaving the mortgage lending market due to the regulatory headaches, these and other provisions could be a game changer.

Or how about the broader regulatory reporting environment? S.2155 implements a short-form call report, expands access to the 18-month exam cycle, exempts most community banks from the Volcker Rule, simplifies capital rules and eliminates Dodd-Frank stress testing for larger community banks. This all adds up to a far more efficient and manageable regulatory regime, allowing community bankers to focus more on what we do best: serving our customers and communities.

Amid these policy improvements, we’re also enjoying a welcome change in the “tone from the top” or culture of the banking agencies. The regulatory heads have professed a commitment to transparency, innovation and congressional intent while they’ve begun transforming their agencies to restore trust among community bankers and other regulated entities.

As 2018 comes to a close, the community banking industry stands far stronger than it did at the beginning of this whirlwind of a year. The concrete policy gains that we achieved are already helping our banks thrive. I am confident that we will be able to continue building on these accomplishments in 2019. It’ll be here before you know it.

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**Did you know?**

Community bankers this year sent more than 15,000 messages and 10,000 petition signatures to Congress advocating the passage of S.2155.