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Conference of State Bank Supervisors

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CSBS Vice Chairman Calls for Right-Sized Regulatory Framework for Community Banks

Washington, D.C. – Charles G. Cooper, Commissioner of the Texas Department of Banking and Vice Chairman of the Conference of State Bank Supervisors, testified today on behalf of CSBS on examining regulatory burdens facing community financial institutions.

During his testimony, Cooper discussed the concept of regulatory right-sizing, a process by which state regulators aim to supervise an institution in a manner appropriate for its size, complexity, and risk profile.

“Regulators must constantly improve the way we conduct supervision to ensure a balanced approach,” said Cooper. “Many times it is not the law or the regulation itself that creates excessive regulatory burden, but the interpretation and the supervisory techniques utilized. One-size-fits-all supervision that has unintended negative consequences should be curtailed.”

Cooper also discussed how state and federal regulators work together to improve supervisory efficiency.

“Regardless of charter or agency, we are all in this together,” said Cooper. “We are stewards of the entire financial services ecosystem. We must ensure that sound judgment and appropriate flexibility are central to our supervisory approach.”

Commissioner Cooper’s full testimony is available [here](#).

A recording and transcript of the full hearing on “Examining Regulatory Burdens – Regulator Perspective,” will be available [here](#).

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Media Contacts:

Catherine Woody, Vice President of Media and Industry Relations, cwoody@csbs.org or 202.728.5733

Rockhelle Johnson, Senior Manager of Communications, rjohnson@csbs.org or 202.407.7156

Matthew Longacre, Manager of Communications, mlongacre@csbs.org or 202.803.8091

The Conference of State Bank Supervisors (CSBS) is the nationwide organization of banking regulators from all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. State banking regulators supervise over 5,000 state-chartered financial institutions. Further, most state banking departments also regulate a variety of non-bank financial services providers, including mortgage lenders. For more than a century, CSBS has given state supervisors a national forum to coordinate supervision of their regulated entities and to develop regulatory policy. CSBS also provides training to state banking and financial regulators and represents its members before Congress and the federal financial regulatory agencies.