

For Immediate Release - September 22, 2009

*Contact:*

*Dawn Justice, President and CEO*

*Idaho Bankers Association*

*(208) 342-8282*

*Boise* - Dawn Justice, President and CEO of the Idaho Bankers Association, had a favorable response to Congressman Walt Minnick's (D-Idaho) alternative plan for financial regulatory restructuring, which offers a different approach from the one being promoted by the Obama Administration and Congressman Barney Frank (D-Massachusetts). She said the IBA had been sharing its concerns about the Obama plan with Minnick and the significant harm it would cause, particularly to small community banks, as a result of the approach taken by the Administration. In general, she said Minnick's approach "seems to provide many of the same consumer protections and strengthened regulatory benefits of the Obama plan, but does it with far less bureaucracy at a far lesser cost."

Justice said that she understands that Minnick's proposal creates a new Consumer Financial Protection Council that would be lean, nimble and responsive, but avoids having government get into the business of banking, product development and other ideas that would stifle the free market system this country was built on. Also included are new and tough regulatory standards directed at non-bank lenders and Wall Street that have previously been functioning in an environment of serious regulatory gaps. Justice said this approach makes a lot of sense.

The Minnick proposal also includes the Obama initiative to create a systemic regulator that would be charged with overseeing the entire economy, to identify potential systemic problems and put forth solutions. They would focus on day to day regulatory issues across all financial markets, have access to information from all the regulators and be focused on the "big picture" of the country's financial health to be ready to respond to any troubling trends that may develop. This type of integrated approach Justice thinks "is long overdue when you consider the highly complex web-like network that represents today's national and global financials markets."

Justice said that traditional banks, meaning depository institutions, are no strangers to heavy regulation, as they are among the most heavily regulated industries in the country. As such, they support increased regulatory oversight over non-bank lenders, who have already been identified as having made the vast majority of sub-prime loans over the past several years. And, while she has not yet reviewed Minnick's proposal in detail, she said that at least conceptually, it sounds like a good move in the right direction for Idaho and the country.

*The Idaho Bankers Association is a statewide banker's trade association, representing all types and sizes of Idaho banks.*