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## Introduction

Section 303(a) of the *Riegle Community Development and Regulatory Improvement Act of 1994*<sup>1</sup>, and referred to herein as “CDRI”, requires the Federal bank and thrift regulatory agencies to conduct a systematic review of their regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate inconsistencies and outmoded and duplicative requirements. Specifically, section 303(a) requires that each federal banking agency conduct a review of its “regulations and written policies” in an effort to:

- Streamline and modify those regulations and policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability;
- Remove inconsistencies and outmoded and duplicative requirements;
- With respect to regulations prescribed pursuant to section 18(o) of the Federal Deposit Insurance Act, 12 U.S.C. 1828(o)(real estate lending standards) consider the impact that such standards have on the availability of credit for small business, residential, and agricultural purposes, and on low-and moderate-income communities; and
- Work jointly with the other Federal banking agencies to make uniform all regulations and guidelines implementing common statutory or supervisory policies.

While the purpose of this review is to promote uniformity among the regulators, to streamline regulatory requirements and to reduce burden, Congress also directed that any suggested regulatory reform must produce a

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<sup>1</sup> 103 Pub. L. 325, 108 Stat. 2160 (Sept. 23, 1994) (codified at 12 U.S.C.A. § 4803(a) (1996).

result that is “consistent with the principles of safety and soundness, statutory law and policy, and the public interest,” 12 U.S.C. § 4803(a). The challenge for the regulators in undertaking this review is to identify those regulations and guidelines that may be modified, streamlined, or eliminated without adversely affecting the safety and soundness of the banking industry or compromising necessary protections for consumers.

Each agency organized numerous working groups to review its regulations and written guidelines to meet the mandate of Section 303(a)(1). To comply with Section 303(a)(2), the agencies convened a Steering Committee under the auspices of the Federal Financial Institutions Examination Council (FFIEC). The Steering Committee identified 65 issuances implementing common statutory or supervisory policies to be reviewed and directed that interagency working groups be formed to review each issuance. The Steering Committee also instructed the 65 interagency working groups to make a recommendation - - revise, retain, or rescind -- to the appropriate FFIEC Task Force.

This interagency effort has resulted in genuine streamlining and burden reduction, as well as achieving increased substantive uniformity among the banking regulatory agencies. The recommendations with respect to the interagency regulations and policy statements are summarized as follows:

<b>Summary Of Recommendations</b>	
Rescind	14
Revise	32
Retain As Written	19
<b>Total</b>	<b>65</b>

The high percentage (70%) of matters generating a recommendation either to rescind or revise reflects the seriousness with which the agencies have regarded the mandate of CDRI; the review did not serve to simply validate the status quo. The resources devoted by the agencies to the review process and the implementation plans further illustrate the agencies' commitment to pursue, where possible, regulatory uniformity. As discussed more fully below, the section 303(a) review has resulted in increased substantive uniformity among the regulators, and a genuine reduction in the regulatory burden for the financial institutions.

This status report is submitted pursuant to section 303(a)(3) of CDRI which requires the agencies to submit a joint report which details the "progress of the agencies" during the preceding two years in carrying out the statutory review. This report consists of five parts, which reflect the organizational structure used during the review. Part I discusses the agencies' efforts and progress with respect to 65 regulations and policy statements that were reviewed on an interagency basis pursuant to CDRI section 303(a)(2). Parts II through V discuss the individual efforts of the agencies (the Board of Governors of the Federal Reserve System - Part II, the Federal Deposit Insurance Corporation - Part III, the Office of the Comptroller of the Currency - Part IV, and the Office of Thrift Supervision - Part V) with respect to their own regulations and policy statements. Each of these Parts follows a similar format -- a discussion of the scope and methodology of that portion of the project, a review of the significant accomplishments in achieving uniformity and burden reduction, and an overall summary of the status of the review with respect to each individual regulation or guideline.