

May 25, 2018

SMITH
SHELLNUT
WILSON

Regulatory Alert

On May 24, 2018, the President signed into law the “Economic Growth, Regulatory Relief, and Consumer Protection Act.” The Act contains several provisions of note for community-based financial institutions.

Section 202 provides that reciprocal deposits not exceeding 20% of total liabilities will not be considered by the regulators as “brokered deposits” for well-capitalized institutions.

Section 201 authorizes the federal banking agencies to develop a Leverage Ratio for community banks of not less than 8% and not more than 10%, providing an exemption from U.S. Basel-III based capital requirements for institutions that meet the threshold.

In addition, Section 203 of the Act provides for an exemption from the Volker Rule for insured depository institutions and their affiliates with less than \$10 billion in consolidated assets and low levels of trading assets and liabilities.

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