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CBAI Urges Agencies to Clarify Supervisory Guidance in Rulemaking

In a December 29, 2020, comment letter to the OCC, Federal Reserve, FDIC, and the CFPB, CBAI urged the Agencies to strike a delicate balance in the supervisory approach between flexibility and prescription, and for reasonable supervisory accommodations to avoid harmful consequences for community banks. CBAI recommended the proposed rule should define guidance in such a way as to constrain supervisory abuse and prevent community banks from being criticized at a later date for relying on guidance as the basis for certain actions or inaction. CBAI stated, "The value of guidance will diminish significantly if a community banker cannot rely on it and if the Agencies will not stand behind it. Therefore, guidance must be carefully crafted and adhered to consistently."

[Read CBAI Comment Letter »](#)

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