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Congress opens path to credit for disenfranchised borrowers by approving regulatory relief for banks

DENVER – The U.S. House of Representatives today passed long-awaited legislation easing the impact of regulation on bank customers across Colorado and the country.

S. 2155, The Economic Growth, Regulatory Relief and Consumer Protection Act was approved by a 258 to 159 bipartisan vote. It now heads to President Donald Trump's desk to await his expected signature. The bill previously passed the U.S. Senate 67-31 where both Colorado U.S. Senators supported it.

"We are grateful to our nation's lawmakers for their thoughtful consideration of this legislation," said Don Childears, president and CEO of the Colorado Bankers Association. "This is a great step toward right-sizing rules that have not only held back our economy but more importantly served as a barrier to credit access for millions of Americans."

Bankers laud the bill for doing away with unnecessary, costly and overly burdensome requirements for would-be borrowers, particularly small business owners, the newly employed or retired, those living in rural areas and low-income individuals.

Among its 16 provisions, S. 2155:

- Designates all mortgages held in a bank's portfolio as Qualified Mortgages for banks with less than $10 billion in assets. This has the effect of returning flexibility to lend where previously precluded by government regulation.

- Provides relief from appraisal requirements for smaller mortgages (under $400,000). The current shortage of appraisers causes great delays in mortgage lending, sometimes resulting in the buyer losing the transaction; this fixes that.

- Removes 3-day waiting period requirement in TILA/RESPA mortgage disclosures if the consumer receives a second offer of credit with a lower rate. Now, the lower rate triggers redisclosures which delay the closing.

- Provides an exception to escrow requirements for banks with less than $10 billion in assets, and that have originated 1000 or fewer loans secured by a first lien on a principal dwelling during the preceding calendar year.

"We are pleased about the common-sense changes brought about in S. 2155 but there is still much work to be done," Childears added. "This legislation is the result of eight years of work by banks and their advocates to allow community banks to get back to the basics of lending to America's businesses and consumers."

About the Colorado Bankers Association

The Colorado Bankers Association represents more than 95 percent of the 140 banks in Colorado, which have $146 billion in assets, 1,492 branches, and 21,944 proud professionals. CBA advocates for Colorado banks of all sizes and charter types before governmental bodies and the public to continually promote and improve the banking industry amid challenge and a changing environment. CBA proactively seeks to increase benefits for bank customers, improve value for shareholders, and grow a stronger business climate for banks and our local economies. CBA supplements its effective advocacy with superior industry-specific information and education for bankers, and various high-quality products and services. CBA focuses on creating a stronger economy and helping Coloradans realize dreams by building better banks.

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