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## SOUTH DAKOTA BANKERS ASSOCIATION

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### **South Dakota Bankers Association Opposes S.3217**

PIERRE, S.D. – The South Dakota Bankers Association has long-supported meaningful reform for financial services industry participants responsible for the financial crisis. However, the SDBA and bankers across South Dakota oppose the legislation approved last night by the U.S. Senate because it contains too many provisions that will ultimately hurt consumers, small businesses and the prospects for the creation of new jobs.

According to SDBA Chairman Bob Rutten, President and CEO of Citizens State Bank of Arlington, "The bill does contain several key reforms that bankers support; such as the creation of a systemic risk council and a strong mechanism for handling the failure of large institutions that hopefully will end the concept of "too-big-to-fail" and its associated risks to taxpayers. But the Senate bill creates a new, expensive Consumer Financial Protection Bureau that will focus its efforts on increasing the regulatory burden for banks that are already highly regulated while failing to create a real plan to regulate non-banks that originated the vast majority of toxic sub-prime mortgages."

Curt Everson, SDBA President said, "Supporters of this legislation continue to talk about this as a bill that will reign in the bad actors on Wall Street. What they fail to say is that this bill contains at least 30 new or expanded regulations applicable to community banks, many of which aren't remotely related to the financial crisis. Increased costs of compliance with those new regulations will decrease the ability of traditional banks to serve their communities, make loans to consumers and small businesses, and to create jobs."

Bankers still remain hopeful that some of the shortcomings of the senate bill can be addressed as the bill goes back to the House of Representatives for reconciliation with its version of regulatory reform which passed in December. Everson said, "The SDBA and its members appreciate the willingness of Senator Johnson, Senator Thune and Representative Herseth Sandlin to listen to our industry's concerns."