

**Rob Nichols Washington Update**  
**April/May**

**America's Banks are Stronger Together**

The U.S. banking system has long been the envy of the world. The reasons for this are many, but at the core, it's because our nation has cultivated a vibrant, thriving financial services sector made up of banks of all sizes, charters, business models and risk profiles.

Each one of these institutions has an important role to play in the overall economic ecosystem: from the community bank guiding a family through the purchase of a first home, to the midsize bank helping a small business manage its cashflows, to the regional bank providing commercial loans to promote the building of new retail centers and office spaces, to the large, globally active institution that supplies credit to multinational firms that provide thousands of jobs in the U.S.

The breadth and diversity of our financial services sector is something no one should ever take for granted.

That's why ABA joined forces with the nation's 51 state bankers associations to deliver a powerful message to members of Congress in the aftermath of the Silicon Valley Bank and Signature Bank failures in March: the U.S. banking system remains the deepest and most resilient in the world, and policymakers in Washington need to keep it that way for the good of the country. That message continues to hold true in the wake of the unfortunate failure of First Republic Bank in early May.

The sudden and swift collapse of these institutions is something that both banks and bank policymakers can and must learn from. But in recent days, there have been some in Washington who have seized this opportunity to advance misguided policy proposals—many of which have nothing to do with the failures of these banks. These include proposals that would make it significantly harder for community banks to compete, and new capital requirements for larger banks that would limit their ability to lend at a time of economic uncertainty.

The policy response to these failures should not place America's competitive, thriving banking system at risk. Rather, we must seek solutions that preserve that competitive landscape and ensure that banks of all sizes with diverse business models are allowed to compete and succeed in serving the needs of their communities.

To achieve that goal, we all must stand together as an industry, and resist efforts to divide us.

Past experience has taught us that we are stronger and most effective in our advocacy when we speak with one voice, and that there can be harmful consequences when we don't.

In the days to come, there will be many conversations about the future of banking regulation, about potential changes to the deposit insurance system and what we can do to preserve the depth and diversity of our banking system.

By speaking with a united voice on these and other issues, we can move our industry forward and work with policymakers to understand what happened at SVB, Signature and First Republic, but, even more importantly, we can reinforce the overwhelming strength and resilience of the U.S. banking sector and lift up the work our nation's banks do every day to make our communities better.

Email Rob at [nichols@aba.com](mailto:nichols@aba.com).

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