

They never gave up

It's a tribute to the tenacity of the banking industry that as we wrote this at the end of June, the giant financial reform bill was still hanging in the balance. By the time you read this, of course, it will almost certainly have either been signed into law or failed to pass. That we could even write that second option is quite amazing considering the pressure to pass this sweeping and flawed bill.

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And yet, because of a year-long, virtually nonstop effort by the leadership of the ABA, the leadership of the state bankers associations, and all of the bankers who rallied around their banner, the unthinkable was possible. They never gave up.

Assuming the bill did pass, the efforts to change some of the worst parts of it reaped significant benefits. Nevertheless, the massive legislation will add many new requirements, resulting in literally thousands of pages of rules and regulations, and will greatly hinder banks and the economy going forward.

Even if the bill miraculously did not pass, that would not be the end of it. As ABA has said repeatedly, the problems that led to the financial crisis need addressing. So the battle would be joined once again.

Either way, the industry must continue to live by the same mottoes that have guided it the past 18 months—Never give up! Never despair! Continued engagement will be crucial to shaping specific regulations.

Any banker can be forgiven for being frustrated by all this. The cumulative impact of almost two years of bank bashing, the challenges of dealing with a severe recession, the regulatory whiplash caused by simultaneous demands to "lend, lend" and "write down," and the reform legislation would leave anyone feeling depressed.

This burden of woe lays particularly heavily on community bankers. Some of them, with their banks facing an uncertain future may be thinking, "this isn't worth the hassle," and may seek ways to pack it in.

No one could blame them for such a thought. But our hope is that they don't follow through with it.

Don't give the bank bashers the satisfaction!

At a recent gathering of community bank CEOs, a few in the group, after a long round of hand wringing, began to cut through the gloom hanging in the air. As one of them put it, we've got to look beyond the Valley of the Shadow to the future.

He was absolutely right. There is no question that the bar is being raised in many areas, but the government has not taken away all opportunities for initiative and success.

Finding those opportunities with so much increased regulation will be tough. But sometimes there is potential to be found in even the worst circumstances, if you look.

Perhaps buried in the hassle and cost of some new regulation is an opportunity for a new service, or a way to set your institution apart.

The industry's resiliency through all the recent turmoil proves that banks can rise to meet any challenge. •

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