

United States Senate

WASHINGTON, DC 20510-1804

September 25, 2009

The Honorable Senator Chris Dodd
Chairman
U.S. Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Dodd:

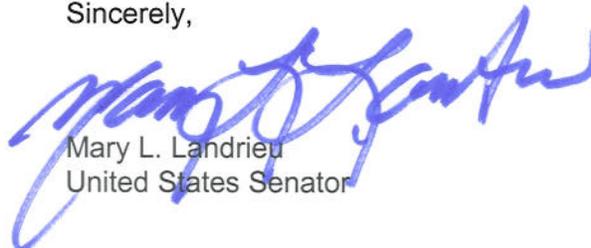
I write with respect to the Administration's proposal to create the Consumer Financial Protection Agency. I agree that the financial crisis has demonstrated the need for strong consumer protections and look forward to working with you to enact improvements. However, I have heard significant concerns from community banks in my state. Although community banks did not offer the types of products that caused the financial crisis, many are concerned the Administration's proposal could result in additional regulatory burdens and costs to their institutions.

Community banks have a strong tradition of making prudent loans and were not involved in the type of risk-taking that so badly hurt our economy. Year after year, these banks have worked hard to serve their communities and even during this current economic crisis, they have done everything they can to continue providing safe and sound loans to our community. Despite this strong record, there are significant concerns about the potential impact the agency, as proposed by the Administration, could have on their financial institutions. They are particularly concerned the proposal could create a redundant regulatory structure potentially leading to conflicting regulatory rulings from the consumer regulator and the safety and soundness regulator. While there may be an effort to "coordinate" between these regulators, they believe this will not overcome their potentially conflicting missions.

My community bank constituents believe that any needed examinations for enhanced consumer protections for well-regulated, insured depositories could be implemented within their current regulatory structure and that the new consumer agency should focus on the less-regulated and the non-regulated entities.

Therefore, as you develop your proposal, I ask that you work to address the concerns that have been raised by my constituents. I look forward with working with you and thank you for considering this letter as you develop your legislative proposals.

Sincerely,



Mary L. Landrieu
United States Senator