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**TCH President Paul Saltzman Calls for a “Dual Mandate” Approach to Financial Regulation that Balances Financial Stability and Economic Growth**

*Previews forthcoming TCH-sponsored research demonstrating substantial improvements in economic stability and the need for increased attention to economic growth*

Washington, DC – Today, Paul Saltzman, President of The Clearing House Association, [addressed](#) the Exchequer Club in Washington, DC where he discussed the need for greater regulatory focus on achieving a banking system that is not only safe and stable but also resilient. In his remarks, he called for policymakers to embrace a “dual mandate” approach to bank regulatory policy that simultaneously pursues and balances financial stability with economic growth and prosperity for consumers.

“The focus on regulation that improves the stability of the banking system appears to have overridden what should be an equally important goal: maximizing economic opportunity and fostering economic growth,” Mr. Saltzman said in his remarks.

In countering the popular narrative that “nothing has changed” since the financial crisis, Mr. Saltzman also previewed forthcoming TCH-sponsored research that demonstrates the significant improvements banks have made in how they manage themselves and how they have positioned the banking system to survive a future crisis.

“Reports tracking the number of missed deadlines and rulemakings called for by Dodd-Frank feed this false narrative and present an inaccurate view of the state of regulatory reform in the United States – they treat every rule as equally important, when of course they’re not,” Mr. Saltzman continued. “Policymakers in the U.S. have . . . gone beyond internationally-agreed-upon standards and gold-plated the most impactful rules. The cumulative effect of these reforms has been to create an entirely new micro- and macro-prudential regulatory framework that significantly enhances the safety and soundness of the banking system.”

Mr. Saltzman emphasized the importance of taking this “dual mandate” approach to regulation in the context of three anticipated macroprudential rules that have the potential to fundamentally reshape the balance sheets of banks—specifically, a capital surcharge for global

systemically important banks, a total loss-absorbing capacity (or TLAC) requirement to facilitate bank resolution, and the net stable funding ratio (or NSFR) to provide for funding stability.

“Each [of these rulemakings] would change how a bank’s balance sheet can or should be structured, and therefore these measures go to the heart of banks’ ability to provide consumers, small businesses and other customers access to credit, capital and banking services,” Mr. Saltzman cautioned. “The rules also affect banks’ ability to support markets and market liquidity through which many businesses obtain capital and finance.”

Mr. Saltzman is President of The Clearing House Association and Executive Vice President and General Counsel of The Clearing House Payments Company. He oversees the legal, compliance and litigation functions for the organization’s payments business and leads the strategic agenda and operations of The Clearing House Association. Under Mr. Saltzman’s stewardship, the Association has emerged as the advocacy leader for the largest commercial banks in the United States and has been recognized for its development of a research and data-driven approach to legislative and regulatory advocacy.

Formed in 1960, The Exchequer Club is comprised of over 150 prominent senior professionals including federal regulators, lawyers, members of Congress, journalists and trade association leaders. The Club has established itself as a preeminent forum for frank discussions of economic, financial and political issues.

**About The Clearing House** Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world’s largest commercial banks, which collectively hold more than half of all U.S. deposits and which employ over one million people in the United States, and more than two million people worldwide. The Clearing House Association L.L.C. is a nonpartisan advocacy organization that represents the interests of its owner banks by promoting and developing policies to support a safe, sound and competitive banking system that serves customers and communities. Its affiliate, The Clearing House Payments Company L.L.C., which is regulated as a systemically important financial market utility, owns and operates payments technology infrastructure that provides safe and efficient payment, clearing and settlement services to financial institutions, and leads innovation and thought leadership activities for the next generation of payments. It clears almost \$2 trillion each day, representing nearly half of all automated clearing-house, funds transfer and check-image payments made in the United States. See The Clearing House’s web page at [www.theclearinghouse.org](http://www.theclearinghouse.org).