

What do local bankers, lawyers and experts say about the Financial Choice Act

Keith Larsen, Reporter

The U.S. House of Representatives passed a bill last week along party lines that would repeal or eliminate many of the regulations imposed by the Dodd Frank Wall Street Reform and Consumer Protection Act.

The bill, which is called the Financial Choice Act, still has to pass the Senate, but a repeal or partial repeal of Dodd Frank could have wide-ranging implications for banks in South Florida, especially community banks and regional banks.

The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law by former President Barack Obama in July 2010 as a response to the 2008 financial crisis.

But critics argue, however, that Dodd Frank has resulted in large banks, which they say were responsible for the financial crisis, getting larger, but has adversely affected smaller banks and community banks that were not responsible for the crisis.

For South Florida, where a strong community bank culture helps bolster an economy largely supported by small- and medium-size companies, watering down banking regulations could make it easier for businesses and consumers aiming to secure loans.

Here's how local bankers, lawyers and experts in the field see legislation repealing some of the regulations around Dodd Frank impacting banking in South Florida.

Frank Gonzalez, managing principal of MBAF's Miami office and is the principal-in-charge of the audit department at MBAF, where he leads the Financial Institutions and SEC practices.

"It's a step in the right direction especially for small banks and middle market banks," said Gonzalez. "It's hopefully going to create less restrictions so that they can lend more."

Lloyd DeVaux the CEO and president of Sunstate Bank of Florida, said he doesn't expect much change to actually occur given the current political environment.

"I am not holding out much hope for regulatory changes" said DeVaux. "I am hoping but I don't have a high expectation that there will be significant regulatory reform."

Hal Lewis, a partner at the law firm of **Pathman Lewis** in Miami, who is the head of the firm's real estate and banking departments, said the bill is a step in the right direction to reduce the burden of Dodd Frank. "It's [The Choice Act] a starting point for some review of Dodd Frank," said Lewis. "There needs to be some focus on

community bank deregulation; there has been too much regulation on small community banks.”

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