

June 2016

## ***GAO Report Examines Impact of Dodd-Frank Rules***

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Late last year, the General Accounting Office (GAO) conducted a required regulatory analysis to determine the impact of Dodd-Frank regulations on affected institutions. The results were recently published in a report: "Dodd-Frank Regulations: Impacts on Community Banks, Credit Unions and Systemically Important Institutions."

The report only examined nine Dodd-Frank rules that were effective as of last October. There are 390 Dodd-Frank rulemaking mandates; of these, 267 rules have actually been written so far. For the analysis, the GAO chose rules they believed would have the greatest impact on affected institutions.

Not surprisingly, the report concluded that there has been an increase in the compliance burden on these institutions. This includes increases in staff, training and the time required to comply with the regulations and update compliance systems. Also not surprising, there has been a decline in some financial product offerings, such as loans that aren't qualified mortgages. The report attributes this to fears among community banks of litigation or an inability to sell loans to secondary markets.

However, the analysis also found that there have only been moderate to

minimal initial reductions in credit availability, and there has not been a negative impact on mortgage lending industry-wide to date. This doesn't rule out the possibility that significant effects could arise in the future, the report states.

Not enough time has passed yet to ascertain the true impact of Dodd-Frank rules on community banks and credit unions, the report concludes. The fact that about one-third of Dodd-Frank's rules still have yet to be written and implemented also hinders their ability to gauge the Act's impact on affected institutions and the marketplace.

Though they're not part of Dodd-Frank, the TILA-RESPA Integrated Disclosures rule (TRID) and the new Home Mortgage Disclosure Act (HMDA) rule also were not factored into the report. It's reasonable to assume that these rules could decrease the availability of mortgage credit to community bank customers in the future as the affected banks continue to struggle under the weight of increasing regulatory burdens.

**Contact us if you have any questions  
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