



March 6, 2018

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

The Honorable Sherrod Brown  
Ranking Member  
U.S. Senate Committee on  
Banking, Housing and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

On behalf of Fifth Third Bancorp<sup>1</sup>, its wholly-owned subsidiary Fifth Third Bank, and nearly 18,000 employees (collectively “Fifth Third”), I write today in strong support of S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act. S.2155 represents the bipartisan recognition that, while well intentioned, the current regulatory regime imposed on regional banks has had unintended consequences for consumers, small businesses, and the communities we serve. S.2155 would address these unintended consequences without undermining safety and soundness, while also helping strengthen and grow main street economies.

Fifth Third is committed to serving our customers and the communities where we live, work, and serve, as demonstrated by our five-year, \$30-billion commitment to low-and moderate-income borrowers and communities. In addition, Fifth Third has made a significant investment in our employees following enactment of the tax reform legislation at the end of 2017 by increasing the minimum hourly wage to \$15 per hour for nearly 3,000 employees, and distributed a one-time bonus of \$1,000 to more than 13,500 employees. Approximately 75% of Fifth Third employees, excluding senior managers and executive leadership, benefitted from this investment, and most of them will continue to benefit into the future.

Regional banks, such as Fifth Third, utilize customer deposits to provide funding to consumers and businesses across our footprint. Regulations that treat regional banks similar to the large Wall Street banks are fundamentally flawed and should be revisited. In size alone, the assets of just one Wall Street bank equal that of 20 or so regional banks. Our risk models are exponentially different: according to a 2017 Department of the Treasury’s Office of Financial

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<sup>1</sup> Fifth Third Bancorp, headquartered in Cincinnati, Ohio, has \$142 billion in assets. Fifth Third operates 1,191 full-service Banking Centers, and 2,495 ATMs in ten contiguous states from the upper Midwest to the Southeast including Ohio, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, North Carolina, Tennessee, and West Virginia. As a regional bank, Fifth Third employs a traditional bank business model that focuses on taking deposits and making loans with four main lines of business: branch banking, consumer lending, commercial lending, and wealth & asset management. Additional information about Fifth Third can be found at [www.53.com](http://www.53.com).

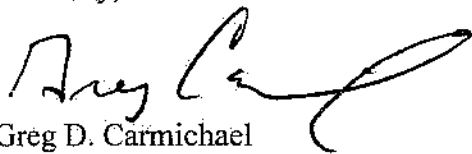
Research study, Fifth Third is 40 times less systemically risky than the largest Wall Street bank.<sup>2</sup> This one-size-fits-all approach does not work because it captures and places too many institutions in inappropriate boxes given their risk profiles and business models.<sup>3</sup>

In fact, Federal regulators have called for changes to the systemic risk threshold including Federal Reserve Chair Janet Yellen,<sup>4</sup> Federal Reserve Vice Chair for Supervision Quarles,<sup>5</sup> Federal Reserve Governor Powell,<sup>6</sup> and even former Federal Reserve Governor Tarullo<sup>7</sup> who oversaw the implementation of the enhanced prudential standards. Former House Financial Services Committee Chairman and Dodd-Frank author Barney Frank has stated that Congress “should look at that \$50 billion again . . . We never thought \$50 billion was a forever number.”

While Fifth Third has supported efforts to remove numeric thresholds and replace with a regulatory framework based on the nature, scope, size, scale, concentration, interconnectedness, and mix of bank activities, we appreciate that S.2155 recognizes the difference between regional banks and Wall Street banks and increases the threshold for enhanced prudential regulation.

S.2155 is a carefully crafted, bipartisan bill that will allow regional banks, like Fifth Third, to better serve our customers and communities, make credit more available for borrowers and businesses, and help grow our local economies. I urge the Senate to act quickly to pass this bill.

Sincerely,



Greg D. Carmichael  
President, Chairman, and Chief Executive Officer  
Fifth Third Bancorp

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<sup>2</sup> U.S. Dep’t of the Treasury, Office of Financial Research, Viewpoint 17-04, Size Alone is Not Sufficient to Identify Systemically Important Banks, Oct. 26, 2017.

<sup>3</sup> Press Release, Rep. Blaine Luetkemeyer, House Financial Services Committee Passes Luetkemeyer Bill to Promote Risk-Based Regulation for Banks (Nov. 4, 2015) available at <https://luetkemeyer.house.gov/news/documentsingle.aspx?DocumentID=398642>

<sup>4</sup> Janet L. Yellen, Chair, Board of Governors of the Federal Reserve System, Remarks at the Federal Open Market Committee Press Conference, 17 (Sept. 20, 2017), <https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20170920.pdf>.

<sup>5</sup> See Ryan Tracy, *Fed’s New Regulatory Point Man: Everything Is on the Table*, THE WALL STREET JOURNAL, Nov. 7, 2017, available at <https://www.wsj.com/articles/feds-quarles-changes-to-bank-stress-tests-on-front-burner-1510080513?reflink=e2twmkt5>.

<sup>6</sup> Jerome H. Powell, Member, Board of Governors of the Federal Reserve System, Testimony before the U.S. Senate Committee on Banking, Housing, and Urban Affairs (June 22, 2017), <https://www.federalreserve.gov/newsevents/testimony/files/powell20170622a.pdf>.

<sup>7</sup> Daniel K. Tarullo, Member, Board of Governors of the Federal Reserve System, Testimony before the U.S. Senate Committee on Banking, Housing, and Urban Affairs (March 19, 2015), <https://www.federalreserve.gov/newsevents/testimony/tarullo20150319a.htm>.

Cc: The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510