

# Trump Administration and Commercial Banking

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# How Affecting Commercial Banking

- Positively, banks stocks up 25% since Nov. (KBW bank index)
- Banks generally lending more, but growth not as steep in C&I (up 75% since 2010)
- Community banks: White House meeting on May 1, focus on roll back of regs., Compliance costs burdensome, CFPB constraints
- Large banks: Rollback Dodd Frank, Volcker rule (proprietary trading), fear that customers investments may be put at risk – too complex
- Return of Glass Stegall, repealed in 1999, concern that limits banks ability to compete

# Trump Focus and Policies

- Glass Stegall return, break up big banks? Discussed but not supported
- Dismantle the CFPB, change to Consumer Law Enforcement agencies, can't enforce actions without congressional approval
- Dodd Frank repeal, Volcker rule, corporate governance, capital
- Replace agency heads, started with OCC replaced Tom Curry with Keith Noreika, more to come but not until 2018
- Survival of Fannie Mae and Freddie Mac, now profitable but undercapitalized, quarterly payments to treasury. Deferred tax assets written down with tax reform
- Tax reform, if can get there

# Impact to real estate

- Improving economy, more tax revenue from more jobs, deficit positive
- Changes to Dodd Frank, reduce compliance costs, boost lending to small businesses who need it
- Move from more stringent mortgage underwriting, more mortgages, from de regulation
- Less regulatory land use and zoning costs, drive down cost of home building
- If Fannie and Freddie eliminated, mortgages will be more expensive. Should view like FDIC insurance

# Deterrents

- Timing, mid year elections
- Lack of detail
- Ability to reign in congress
- Comey firing
- Leaks in the White House
- Uncertainty on Russian involvement
- Distractions from tweets