



What do you see?

## *A message from Dean Bank President Wayne A. Cottle*

August, 2010

On July 21, 2010 President Obama signed into law the “Dodd/Frank Wall Street Reform Act.” This new law represents the most monumental financial regulatory overhaul legislation since the Great Depression and will certainly be the focus of significant media attention during the next few years as its provisions take effect. The financial and economic crisis this country experienced during the past two years clearly demonstrated a need for reforms to safeguard the nation’s taxpayers and our communities from a future economic catastrophe.

**It is important to distinguish that the law is appropriately titled the “Wall Street Reform Act” and not the Main Street Community Bank Reform Act.** Congress finally recognized the differences between Main Street community banks and Wall Street and that the economic crisis was not caused by Main Street community banks. Congress not only provided community banks with a buffer in the law from the provisions that were designed to rein in the mega banks and non-bank financial firms, but also included measures that are beneficial to community bank customers.

**Here are some of those measures that you may benefit from:**

- **FDIC coverage increase:** FDIC deposit insurance coverage is permanently increased from \$100,000 to \$250,000. The law also includes a two-year extension of the FDIC’s Transaction Account Guarantee (TAG) program, which provides unlimited deposit-insurance coverage for non-interest-bearing transaction accounts. The new TAG program is modified such that it will no longer cover low-interest NOW accounts. Although the deposits of Dean Bank customers have been and continue to be insured in full with [SIF insurance](#), this change in FDIC coverage will benefit the customers of banks that don’t otherwise have additional deposit insurance.
- **The Consumer Financial Protection Bureau (CFPB):** The CFPB will reduce the unfair competitive advantage that non-bank financial firms have long enjoyed as unregulated financial services entities. The CFPB insures that customers of non-bank financial services companies will receive the same level of regulatory protection that customers of community banks have long been accustomed to. One exception is that auto dealers are exempt from CFPB regulations. Customers of auto-dealer financing plans cannot rely on the same level of regulatory protection as banks.
- **Too-big-to-fail**—The largest financial institutions will face higher capital and liquidity standards, a new systemic risk council and new resolution authority that will allow them to be wound down if they fail instead of propped up and bailed out by taxpayers.

While much of the reform is beneficial to community banks and their customers, some measures are harmful. One that may have the most direct impact on you affects debit card use.

- **Debit interchange**—Merchants will be allowed to discriminate or discount based on payment type and to set minimum payment amounts for acceptance of debit and credit cards. Until this law passed, this was illegal. For those of you who regularly use your Dean Bank Debit MasterCard in order to earn DeanPoints for Rewards, you may begin to see merchants requiring a minimum purchase in order to use the card, potentially limiting the Rewards you can earn. The community bank industry will continue to fight to have this discriminatory practice changed.

No doubt all bank customers will be affected in some way by the Reform Act. Many new regulations will be written minimizing the potential of previously unregulated Wall Street financial firms to cause the same level of disruption to our economy. **The financial reform process is not over.** Passing this bill is just one step in the process of financial reform that will continue to unfold for years to come. Dean Bank along with community banks from across the country will continue to fight for community banks, our customers, and Main Street. As regulators implement the legislation we will work with Congress wherever possible to correct negative or unintended consequences of the legislation.

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