



We've Had Enough of Wall Street!

The Obama Administration has chosen yet another Wall Street insider, Antonio Weiss of the global investment banking firm Lazard, for the position of Under Secretary of Treasury for Domestic Finance. CBAI believes that this and previous Wall Street nominees ignore the importance of Main Street community banks to the nation's financial services profession, small business job creation, and the inconvenient fact that Wall Street greed and abuse caused the financial crisis and the Great Recession. The Administration is ill-advised to exclusively rely on Wall Street insiders who represent a narrow, and often times flawed and biased perspective.

Mr. Weiss joins a growing list of Administration-supported Wall Street insiders including: Mary Joe White to the Securities and Exchange Commission (SEC) (a former white collar defense attorney for Morgan Stanley and Bank of America's Ken Lewis); Jack Lew to Treasury Secretary (a former Chief Operating Officer of one of Citi Group's trading groups); Stanley Fisher to Vice Chairman of the Federal Reserve Board (a former executive of Citi Group); and Gary Gensler, the former Chairman of the Commodities Future Trading Commission and a former partner of Goldman Sachs.

Senior Administration officials defend the qualifications of nominees as relevant to their recommended positions; however, the latest appointment of Weiss is especially troubling. The Treasury Under Secretary for Domestic Finance plays a leading role in developing policies that will impact the full spectrum of the U.S. financial system, which includes the nation's 6,500 community banks. To be effective in that role, CBAI believes that an Under Secretary should have a broad background in financial services, with the critical inclusion of community banking, which is so important to small business creation, job development, and the overall economic vitality of the thousands of communities throughout our great nation. In addition, an understanding of small and mid-market agricultural lending and financing is crucial to the development of sound and balanced financial regulatory policy with regard to the thousands of agricultural banks in rural communities throughout America.

CBAI is not questioning the background and professional experience of these nominated individuals, rather the Administration's failure to nurture, encourage, recognize, and include in top positions, highly qualified community bankers who play an important role (every single day) in their communities, our financial system and the nation's economy. It is time community bankers are recognized for their accomplishments and the valuable role they play in guiding our nation's financial services profession and our economy. Their advice and counsel is desperately needed at the highest levels of this and future administrations.

Rectifying the current and unfortunate situation should start with the withdrawal of the Weiss nomination and replacing him with someone more qualified who understands the community bank model. Additionally, the President should appoint Federal Reserve Board governors who have community bank experience and create an Assistant Secretary of the Treasury for Community Banking to ensure that community banks are well represented in the policy making process. These steps are long overdue, but they would represent the beginning of a welcome reversal of the disturbing trend of Wall Street-dominated nominations.

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