

WASHINGTON – The four federal banking agencies on Friday announced that the implementation of Basel II would be delayed one year to 2009, following Congressman Spencer Bachus' recommendation at last week's Financial Institutions and Consumer Credit Subcommittee hearing.

Congressman Bachus issued the following statement in response to this announcement:

“The intent of Basel II is to be applauded in its intent and objectives, but it also raises several concerns. Following last week's committee hearing, it's apparent the agencies are starting to heed our concerns. While the regulators initially indicated that they would begin adoption of Basel II in June of this year with final adoption in 2008, I am pleased that after continued study they have decided to delay this implementation. It concerned me that the regulators seemed 'locked in' to a timetable without fully understanding the consequences.”

“Proposed changes to the Basel Accord could raise costs and create competitive disadvantages for many U.S. financial

institutions. Congress must ensure any changes to the Basel Accord are beneficial to U.S. consumers, industry, and our economy as a whole. Delaying the proposal's implementation will allow us to do that.”

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