Regulations and deregulations in the banking industry. When should the law-makers back off?

Student **Mircea I. GHERGHINA**[1]
Student **Nikolett CSÁSZÁR**[2]
Student **Ioan Alexandru GHERASIM**[3]

Abstract

This paper examines the banking regulatory frameworks that were enforced from the 1980 to date and see if there is a cyclical tendency in the patterns of regulations and deregulations. To analyse this, we look at 10 acts or key events from the US banking industry and compare them against variant macroeconomic indicators. The result shows that lawmakers imposed deregulations upon the banking industry in moments of economic growth and regulatory measures after a period of economic downturn. This has some serious implications for policy making. In the end, we attempt to conclude whether lawmakers should back off and have a hands off approach to banking industry or if they should permanently regulate.

Keywords: *Banking industry, Deregulation, Legal frameworks, Macroeconomics, Institutional Change.*

JEL Classification**:** K23

1. Introduction

What is deregulation in the business environment?

In the past two decades as mentioned by Guasch and Hahn[4] there have been two trends in regulation. The first one referring to the increase of new regulations related to different economic sectors such as health, safety and the environment and the other referring to economic deregulation of certain industries such as financial markets.

First of all when we discuss about deregulation it is important to explain what a regulatory environment is, and why these occur. As a simple explanation we can say that the regulatory environment refers to an environment where laws, rules and regulations are put into force in order to regulate certain business operations

[1] Mircea I. Gherghina – Bucharest University of Economic Studies, Faculty of International Business and Economics, 3rd Year, mircea.ioan@gmail.com

[2] Nikolett Császár - Bucharest University of Economic Studies, Faculty of International Business and Economics, 3rd Year, csaszar_nikolett@yahoo.com

[3] Ioan Alexandru Gherasim - Bucharest University of Economic Studies, Faculty of International Business and Economics, 3rd Year, ioanalexandrugherasim@gmail.com

[4] Guasch L. J., Hahn W. R., The Costs and Benefits of Regulation: Implications for Developing Countries, The World Bank Observer, vol. 14, no. 1, 1999, pp.137-58

and activities[5]. These regulations are mainly done to provide a specific framework for companies to use as a guideline for their activities in order to develop and improve the performance of their industry[6]. In many cases these policies also try to protect the activities of the businesses and protect the rights of the consumers. But Levy and Spiller[7] argue in their work that the expectations towards these regulations might not be met due to a country's political and social institutions, judicial systems and economic conditions, and they also question the effectiveness of such regulatory frameworks.

The work of Alson, Eggertsson, and North[8] also examined the effects of such inefficient and costly regulations on the business transactions with the use of the new institutional economics (NIE) approach in order to contrast the impact of inefficient legal and regulatory environment with the legal and regulatory reforms sought to facilitate market efficiency. They used the regulatory environments of Brazil and Chile to examine four areas where these legal and regulatory institutions can create obstacles to efficiency. These areas were; the start-up of a new business (entry), the regulations towards businesses, orders by customers and sales with credit.

As mentioned by Barclay[9], during and after the financial crisis regulators have been highly active in order to preserve financial stability, and to promote economic recovery at the cost of challenging the financial institutions with an increasingly complex regulatory framework. But how efficient will this be?

When we start questioning the effectiveness of these regulatory frameworks that is where we can discuss about a potentially deregulated environment. The word deregulation according to the Merriam-Webster dictionary[10] was first used in 1963 and means "the act or process of removing restrictions and regulations" or in other words reducing government power in certain industrial sectors. As mentioned before a deregulated business environment could be the result of an inefficient regulatory framework, and in many cases regulated environment can have an adverse effect on the economy. These deregulations do not occur over night as mentioned by Winston[11], but the

[5] Making Finance Work in Africa [online] http://www.mfw4a.org/legal-regulatory-environment/legal-regulatory-environment.html [Date Accessed: 30 March 2014]

[6] Levy B, Spiller T. P, Regulations, Institutions, and Commitment: Comparative Studies of Telecommunications, Cambridge University Press, 1996, p 295

[7] ibidem

[8] Alston J. L , Eggertsson T, North C. D., Empirical Studies in Institutional Change, Cambridge University Press, 1996, pp. 95- 97

[9] Barclay J, Operating In a challenging regulatory environment, 2014, J.P.Morgan [online] Available at: https://www.jpmorgan.com/tss/General/Operating_in_a_challenging_regulatory_environment/1320495115548 [Date Accessed: 30 March 2014]

[10] Merriem-Webster, 2014, [online] Available at: http://www.merriam-webster.com/dictionary/deregulation [accessed: 23 March 2014]

[11] Winston C., Economic Deregulation: Days of Reckoning for Microeconomists, Journal of Economic Literature, Vol XXXI, 1993, pp. 1263-1289

regulatory regimes are dismantled by the law-makers and regulators from where industries then have to adjust to their new deregulated environment.

We can give the example of the banking collapse of 1930 where many restrictions on banking activity were adopted but these eroded with time due to technological improvement and high interest rates which then ended with direct competition between unregulated institutions[12]. Until the early 1970s banking regulation was considered to be the exclusive preserve of national policy makers"[13]. This shows us that regulations have to be up-to-date, and most importantly optimized to maximum efficiency. "In the 1970s, the regulatory agencies, state legislatures, and the Congress have moved to liberalize these restrictions"[14]. In other words deregulate regulations. But what are the main advantages of deregulation to businesses and consumers?

The most important advantage is the possibility for the market to function on its own without any intervention the government, and this way encourage competition. Businesses have the opportunity to choose their operational processes, set the prices according to their expectations and introduce more and more products and services to the market. They attract new entrants and this creates a more dynamic market. Consumers also benefit from deregulation, they have more products and services to choose from and possibly receive better prices as well.[15]

Nowadays the regulatory reform is still evolving and some industries are still subject to regulations and only gradually undergoing deregulation.

2. Regulators and deregulators in the banking industry

A debate after a debacle like the 2007/8 financial crisis is a natural follow-up of such an event. Heavy deregulations in the all sectors of financial activity had brought the economy to stalemate, where assets were barely moving and the economic congestion was scaling up at an incredible pace. Who was the culprit for all this mess? Who has allowed the banks unattended so that they could irresponsibly engage in harmful practices for themselves and all the stakeholders?

Deregulations in all industries, in a capitalist system, is backed up by the rationale that argues for the efficiency that a free market would bring to a regulated competition[16]. The economic argument is that when the prices are set to flow freely

[12] Kaufman G. G., Mote R. L, Rosenblum H, (1984), Consequences of Deregulation for Commercial Banking, The Journal of Finance, Vol. XXXIX, NO. 3 pp 789-803

[13] Dale R., Issues in International Banking Regulation: Global Policies for Global Markets, University of Southampton, 1994, pp. 1-3

[14] Kaufman G. G., Mote R. L, Rosenblum H, Consequences of Deregulation for Commercial Banking, The Journal of Finance, Vol. XXXIX, NO. 3, 1984, pp 789-803

[15] MSG Expers, Advantages and Disadvantages of Deregulation for Businesses and Consumers, Management Study Guide, 2013, [online] Available at: http://managementstudyguide.com/deregulation-for-businesses-and-consumers.htm [Date Accessed: 30 March 2014]

[16] Keen, S., Deregulator: Judgment Day for microeconomics, *Utilities Policy*, vol. 12, no. 3, 2004, p. 110

they will adjust to their equilibrium position, thus generating efficiency for the economic agents. To date, we don't have knowledge of an industry that has been fully emptied out of policy constraints, but attempts to heavily deregulate certain industries has been made. Probably the most infamous case is represented by the banking industry in the United States. A report by Cato Institute in the aftermath of the crisis states that "the regulatory system allowed and encouraged Wall Street to excess"[17]. The state of affairs is altered by the powerful and is institutionalized insofar that serves an ideological rationale. This relates in a way to the question of who is the deregulator.

The banking sector in the United States is regulated both at federal and state level. The Federal Reserve is the governing body of the banking sector. The Federal Reserve was created after financial panics. Major events changed and shaped the policies of the Federal Reserve which had the objects of: "growth of monetary and credit aggregates, maximum employment, stable prices, and moderate long-term interest rates".

Besides the Federal Reserve there are institutions such as the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision. Banks are supervised in order to ensure that they meet the safety and soundness prerequisites. To evaluate a bank an examination needs to take place on-site and to measure its compliance, the examiner uses the "CAMELS"[18] rating system. This system proves the ability to manage risk and health of the bank while the 5-Cs examination is a qualitative measure of the loans that were given out by the banks.

Banks provide service to their customer thus they are required to take in consideration consumer protection. In the U.S. there are three acts, the Fair Credit Reporting Act, Fair Debt Collection Practices Act, Truth in Lending Act, all related to consumer protection.[19]

An interesting and comprehensive timeline is found in Sherman[20] that compiles 18 acts and legal frameworks that were put in place in the US from 1978 to 2009. The period used by Sherman gives an analyst a lot of space for manoeuvres due to the massive macroeconomic indicators fluctuation that arose in the American and international economy in this period of time. We have to factor in crisis or turbulences that are generated at an international level because the financial contagion and spread of systemic risk is affecting the interdependent network of economies. At an international level, we briefly look at the secondary banking crisis in the UK which took place during the two years following 1973. The UK Banking crisis consisted of a crash or dramatic downturn in property prices in UK which in effect dispersed unrest in the secondary lending banks

[17] http://www.cato.org/publications/commentary/financial-crisis-bank-deregulation-myth [Date Accessed: 30 March 2014]

[18] CAMELS Rating System: Six factors that are examined: Capital adequacy, Asset quality, Management quality, Earnings, Liquidity, Sensitivity to Market Risk.

[19] Text of the Fair Credit Reporting Act, 15 U.S.C. §1681a.

[20] Sherman, Matthew 2009, A Short History of Financial Deregulation in the United States, Center for Economic and Policy Research, 2009.

market[21]. The response of the government was to put in place the 1979 Banking Act which was expected to tackle further financial crisis. Moreover, to emphasize the infective character of financial events, the UK Banking crisis was enhanced by the international stock market crash in 1973. At a short period of time, the United States was facing economic distress with a decade long savings and loan crisis. In a nutshell, the S&L crisis meant the breakdown of 1043 savings and loan associations out of 3234 existent at that time[22].

The mechanism underlying the functioning of a savings and loan association is quite simple. They are financial institutions that resemble to a trustee savings bank or the Romanian CAR (Casa de Ajutor Reciproc). These financial institutions are holding trustees' savings and are legally able to loan money to other people. The peculiarity of these association is that the savers are members with voting rights of the financial institution. The S&L crisis stem from a regulation proposed by the Federal Reserve System that previous to the crisis doubled the interest rates. Because Savings and Loans Associations were giving long term loans with short-term money, the increase in interest rate rendered them insolvent[23].

Staying focused on the American markets, the end of the 20th century brought another major collapse, the bankruptcy of Long-Term Capital Management (LTCM) a hedge fund that lead to one of the largest recapitalization of a private bank[24]. Again the high contagion of the international financial markets was involved this time. While LTCM was returning way above the markets scores on the investments made, the high leverage risk incurred by the company was exposed during the Asian financial crisis that emerged before the collapse. Eventually, we have the infamous subprime mortgage crisis in the United States at the end of the first decade of the new millennium. This crisis rolled into a systemic world-wide disruption of the financial system leading to accentuated turbulences in various European countries.

We return with to the regulatory frameworks, which were introduced one by one, mostly after some certain financial events happened at a national scale (Table.1). Next, we will try to briefly explain each of the acts and see if there is a certain regulatory cycle that follows a business cycle.

[21] Reid, Margret, The Secondary Banking Crisis, 1973 -75: Its Causes and Course, Macmillan, London, 2003, p. 170

[22] Cebula, R., Hung, C., The Savings and Loan Crisis, Kendall/ Hunt, Dubuque, Iowa, 1992, p. 12

[23] Federal Deposit Insurance Corporation, The S&L Crisis: A Chrono-Bibliography, http://www.fdic.gov/bank/Historical/s&l/

[24] Greenspan, Alan (2007), The Age of Turbulence: Adventures in a New World, The Penguin Press, pp. 193-195

Table 1. The key events in the banking industry regulations from 1978 to date

	Year	Holding
Marquette Nat. Bank v. First of Omaha Svc. Corp.	**1978**	**Prohibition of anti-usury law upon nationally chartered banks**[25]
Depository Institutions Deregulation and Monetary Control Act	**1980**	**Supremacy of the Federal Reserve, permission for bank mergers, maximum interest rate for deposits removed, increased deposit insurance, credit unions allowed, allowed institutions to charge any interest rate for loans**[26]
Garn-St. Germain Depository Institutions Act	**1982**	**Deregulating savings and loan association, permitted provision of adjustable-rate mortgage loans**[27]
Financial Institutions Reform, Recovery, and Enforcement Act	**1989**	**Higher capital requirements and sets stricter operating standards for all the institutions that provide saving services**[28]
Riegle-Neal Interstate Banking and Branching Efficiency Act	**1994**	**Restore competitiveness after laws applicable for state-chartered banks were much more relaxed, equalize opportunities for domestic and foreign banks, meet community credit needs and prohibit deposit production offices**[29]
Glass-Steagall Reinterpreted	**1996**	**Reinterpretation of Glass-Steagall act. Reinterpretation permitted bank holding companies to have 25% of their revenue coming from investment banking**[30]
Gramm-Leach-Bliley Act	**1999**	**Repealed part of the Glass-Steagall Act of 1933, thus leading to the removal of certain barriers in the market of financial services**[31]

[25] Justia US Supreme Court Center, (n.d.). *Marquette Nat. Bank v. First of Omaha Svc. Corp. - 439 U.S. 299 (1978)*. [online] Available at: http://supreme.justia.com/cases/federal/us/439/299/case.html [Accessed 30 May. 2014].

[26] Thomas.loc.gov, (n.d.). *Bill Summary & Status - 96th Congress (1979 - 1980) - H.R.4986 - THOMAS (Library of Congress)*. [online] Available at: http://thomas.loc.gov/cgi-bin/bdquery/z?d096:H.R.4986: [Accessed 30 May. 2014].

[27] Thomas.loc.gov, (n.d.). *Bill Summary & Status - 97th Congress (1981 - 1982) - H.R.6267 - THOMAS (Library of Congress)*. [online] Available at: http://thomas.loc.gov/cgi-bin/bdquery/z?d097:H.R.6267: [Accessed 30 May. 2014].

[28] Fdic.gov, (n.d.). *FDIC Law, Regulations, Related Acts - Miscellaneous Statutes and Regulations*. [online] Available at: http://www.fdic.gov/regulations/laws/rules/8000-3100.html [Accessed 30 May. 2014].

[29] GovTrack.us, (n.d.). *Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (1994H.R. 3841)*. [online] Available at: https://www.govtrack.us/congress/bills/103/hr3841 [Accessed 30 May. 2014].

[30] Sherman, Matthew, A Short History of Financial Deregulation in the United States, Center for Economic and Policy Research, 2009.

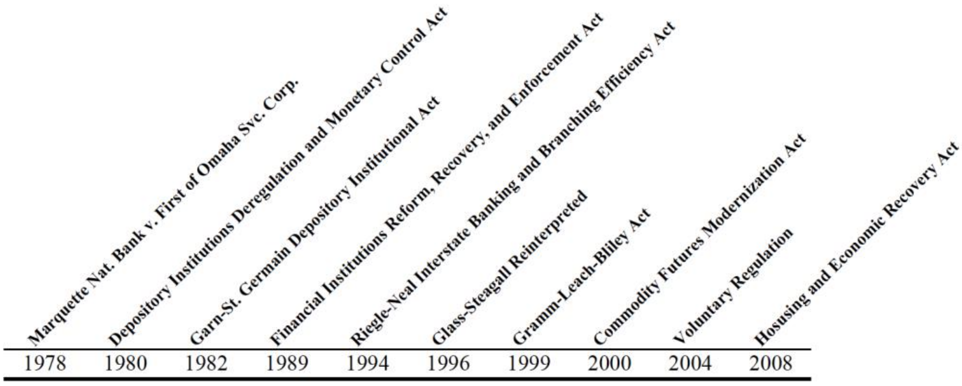
[31] Federalreservehistory.org, *Financial Services Modernization Act of 1999, commonly called Gramm-Leach-Bliley - A detailed essay on an important event in the history of the Federal*

	Year	Holding
Commodity Futures Modernization Act	**2000**	**Commodity Futures Trading Commission couldn't regulate most of over-the-counter derivative contracts, even credit default swaps**[32]
Voluntary Regulation	**2004**	**SEC proposed to allow investment banks to have lower amounts of capital in their reserve and increase leverage**[33]
Housing and Economic Recovery Act	**2008**	**2008 guaranteed new mortgages to subprime borrowers and authorized a new federal agency, the FHFA**[34]

Source: Sherman (2009), compiled by the authors

We cluster together acts according to the time region and then see how it adjusts to the economic indicators.

Fig. 1. A timeline of the banking acts from 1977 - 2014



Source: compile by authors using Sherman (2009)

Cluster 1 (1979-1984)

During the period of 1980 to 1982 the banks had the freedom of choosing the interest rates as they saw the Depository Institutions Deregulation and Monetary Control being enforced. Certain effects appeared on the macroeconomic landscape.

The economy was rejuvenating from a previous economic energy crisis. The deregulating act rationale was to liberalize the financial sector and let the free market adjust to an equilibrium. Regarding the GDP PPP (Fig. 2) we can state that

---

Reserve, 1999 [online] Available at: http://www.federalreservehistory.org/Events/DetailView/53 [Accessed 30 May. 2014].

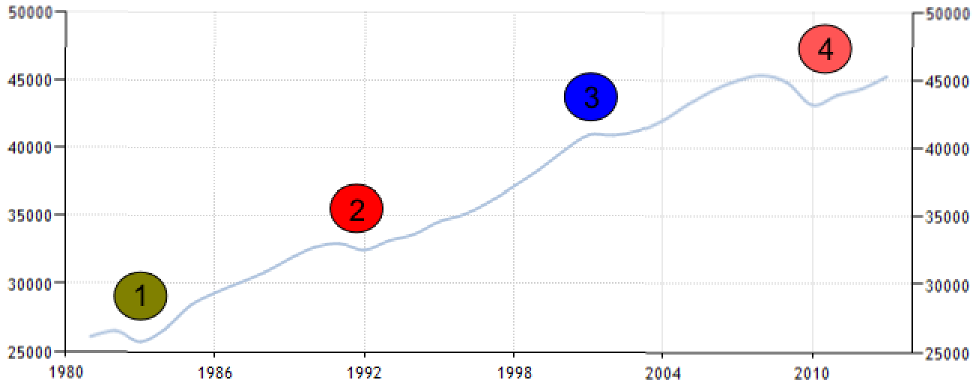
32 Parkinson, P. Statement to Congress, June 14, 2000 (HR 4541, the Commodity Futures Modernization Act of 2000. *Federal Reserve Bulletin*, Aug. 2000, pp. 577--579.

33 Sherman, Matthew, A Short History of Financial Deregulation in the United States, Center for Economic and Policy Research, 2009.

34 ibidem

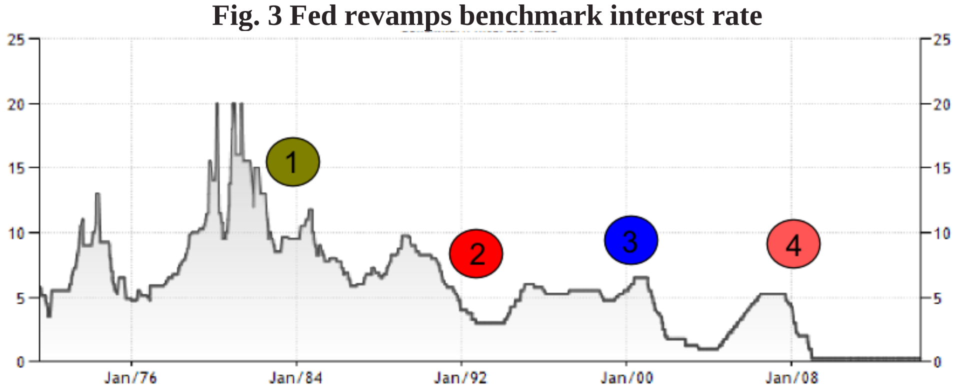
the growth rate was really low but showed a steady increase after the first deregulating act came into force. But the follow-up of this brought another economic downturn. The behaviour of banks to raise the interest rates to a historical high was a natural outcome of the deregulation (Fig. 3), so that until 1984 the "equilibrium" of the interest rates market was subprime. The bankruptcies rates rose, which we assume happened due to the high interest rate that the companies could not finance anymore. The positive effect, perhaps the only one, was that high interest rate spurred the saving behaviour from the population.

Fig. 2 GDP PPP in the US with legal clusters according to the periods explained above



Source: WorldBank, compiled by authors

Fig. 3 Fed revamps benchmark interest rate

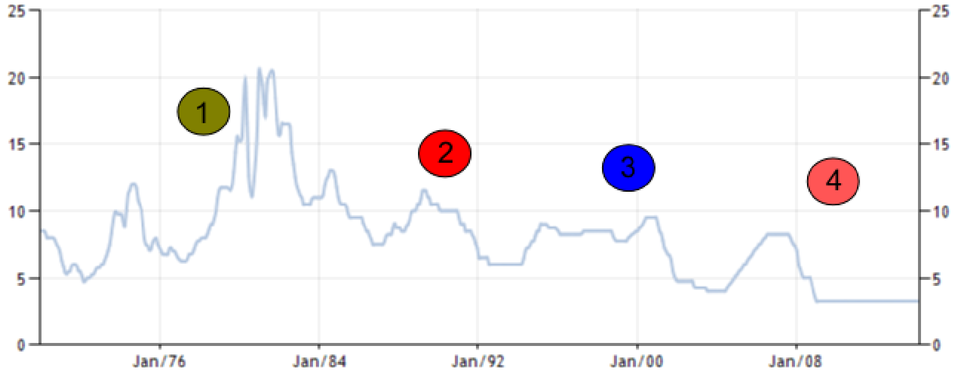


Source: tradingeconomics.com, Administrative Office of the US Courts

Cluster 2 (1990-1994)

The US was experiencing a long period of economic growth due to market normalization. At the end of the growth period, as if it was anticipated, the American Administration proposed a heavy regulation act that asked for higher capital requirements from the banks. This regulation might have served as an intentional break for the economy due to concerns of a financial and housing bubble. But the outcome was not the expected one. What was to follow was another economic downturn that saw recovery not sooner than 2000. The average monthly prime lending rate (Fig. 4) plummeted in the years to follow the regulatory act in 1989.

Fig. 4 Monthly prime lending rate

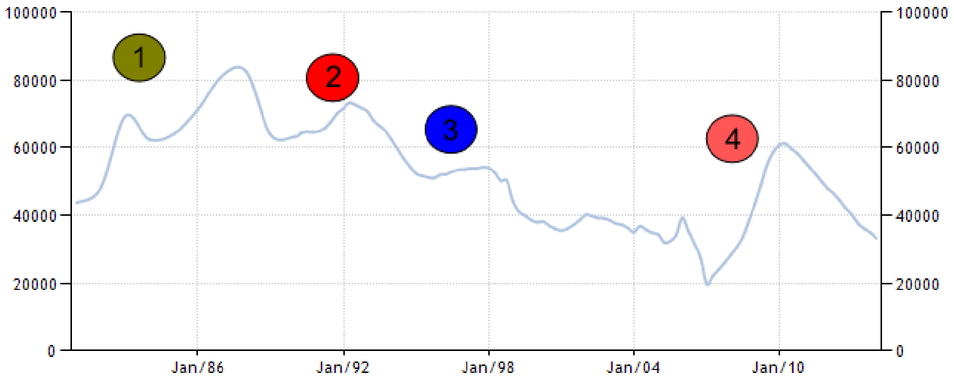


Source: tradingeconomics.com

Cluster 3 (1996 and 2004)

This cluster contains one of the most important deregulations in the modern history of finance. The repeal of a long-lasting act that created the dichotomy between investment banks and commercial banks was one to create a highly deregulated markets, which by some expert lead to the financial crisis in 2007/08. The GDP PPP (Fig.2) showed a steady increase until 2008 with a really small and short-lived downturn after the dot com crisis. An anomaly of the market is that the personal savings rate went down by more than 4 %. We might attribute this to the low interest rate that came out as an effect of the Cluster 3 regulations. The number of bankruptcies went down until the financial crisis of 2007 (Fig. 5). Following a deregulatory act, the market found itself again under the auspices of the neoliberal free market principle. The investment confidence increased and as result the 30-YR mortgage rate was lower than any time before. The deregulation went even further with SEC proposing to allow investment banks to have lower amounts of capital in their reserve and increase leverage.

Fig. 5 Bankruptcies in the US



Source: tradingeconomics.com

Cluster 4 (2007 onwards)

This legal cluster came into force after one of the most disruptive financial crisis. The regulations of the 2008 Housing and Economic Recovery Act were meant to refinance the subprime mortgages in order to temper the crash. The economic downturn was harsh on all the facets of macroeconomic indicators. The regulatory environment followed the same path with harsher conditions imposed on financial institutions. For example, BASEL III (Table 2, Table 3), which was incorporated in the American law in 2011 asks for tighter regulations in the financial market. Only future will bring us the answer to the question: Are tighter regulations proper for tempering a financial crisis?

Basel accords

The Basel accords are suggestions on banking regulations. The Basel Committee on Banking Supervision delivers these recommendations. These accords are important due to the fact that most countries comprise the accords into their own legal system, which regulates the banking sector.

Table 2

	Year	Origins	Main points
Basel I	1988	Lack of minimum requirements for banks	capital requirements for banks, framework for credit risk and proper risk-weighting of assets
Basel II	2004	Lack of standards for regulators	standards to control amount of capital for bank stability to prevent risks
Basel III	2010	Financial Crisis, which Basel II didn't prevent but enhanced	strengthen regulation, supervision and risk management

Source: Bank of International Settlements, compiled by authors

Table 3. Shows the limit allowed for each indicator from 2013 to 2019

Basel III phase-in arrangements

(All dates are as of 1 January

	Phases	2013	2014	2015	2016	2017	2018	2019
Capital	Leverage Ratio	Parallel run 1 Jan 2013 – 1 Jan 2017 Disclosure starts 1 Jan 2015					Migration to pillar 1	
	Minimum Common Equity Capital Ratio	3.5%	4.0%	4.5%				**4.5%**
	Capital Conservation Buffer				0.625%	1.25%	1.8%	**2.5%**
	Minimum common equity plus capital conservation buffer	3.5%	4.0%	4.5%	5.13%	5.75%	6.38%	**7.0%**
	Phase-in of deductions from CET1*		20%	40%	60%	80%	100%	**100%**
	Minimum Tier 1 Capital	4.5%	5.5%	6.0%				**6.0%**
	Minimum Total Capital	8%						**8%**
	Minimum Total Capital plus conservation buffer	8.0%			8.63%	9.25%	9.88%	**10.5%**
	Capital instruments that no longer qualify as non-core Tier 1 capital or Tier 2 capital	Phased out over 10 year horizon beginning 2013						
Liquidity	Liquidity coverage ratio – minimum requirement			60%	70%	80%	90%	**100%**
	Net stable funding ratio						Introduce minimum standard	

* Including amounts exceeding the limit for deferred tax assets (DTAs), mortgage servicing rights (MSRs) and financials.

← Transition periods

Source: Bank of International Settlements, compiled by authors

3. Conclusion

More or less, the regulatory clusters were enforced in period of economic distress as a measure to readjust the economy as a whole. Particular to the financial industry is that the effects of a crisis inside this industry affects all sectors of the economy. What is more, we see a cycle of regulations and deregulations that alternate following a simple logic: acts will regulate when there is an economic downturn but not while the downturn is happening, and deregulate when there is an uprising trend. The outlier in this logical scheme is the 1989 act which was meant as a structural break for the economy.

Eventually, the aforementioned information can help us answer the question posed at the beginning of this paper: When should the lawmakers back off? The answer is that they should never back off from the market and always regulate it. What they can do is to put in place a general legal framework that is a long-term project. In the case of macroeconomic instability they will be allowed to implement short-term projects to address the disruption, but never be able to alter completely the tenets of a sound financial market. This answer stems from a simple observation that can be made by parsing the utilized macroeconomic indicators. While we cannot prove a direct causality between the legal frameworks and the economic crisis, we observe a pattern in the implementation of the frameworks regarding to their chronology. Lawmakers are prone to deregulation when the market is confident thus boosting the economic growth but in the same time create fertile territory for speculation which leads to economic bubbles. The implication for policy making is important and this paper shows that deregulation can lead to massive disruption in the banking industry or at least can pave the way to destabilization.

Bibliography

1. Alston J. L , Eggertsson T, North C. D. (1996) *Empirical Studies in Institutional Change*, Cambridge University Press, 1996
2. Barclay J, *Operating In a challenging regulatory environment*, J.P.Morgan [online], 2014, available at: https://www.jpmorgan.com/tss/General/Operating_in_a_ challenging _regulatory _environment/1320495115548 [Date Accessed: 30 March 2014]
3. Cebula, R., Hung, C. (1992*), The Savings and Loan Crisis*, Kendall/ Hunt, Dubuque, Iowa, 1992
4. Dale R., *Issues in International Banking Regulation: Global Policies for Global Markets,* University of Southampton, 1994
5. Fdic.gov, (n.d.). FDIC Law, Regulations, Related Acts - Miscellaneous Statutes and Regulations. [online] Available at: http://www.fdic.gov/regulations/laws/rules/8000-3100.html [Accessed 30 May. 2014]
6. Federalreservehistory.org, Financial Services Modernization Act of 1999, commonly called Gramm-Leach-Bliley - A detailed essay on an important event in the history of the Federal Reserve.. [online], 1999, available at: http://www.federalreservehistory.org/Events/ DetailView/53 [Accessed 30 May. 2014]
7. Federal Deposit Insurance Corporation, The S&L Crisis: A Chrono-Bibliography, http://www.fdic.gov/bank/Historical/s&l/ [Accessed 30 May. 2014]
8. GovTrack.us, (n.d.). Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (1994H.R. 3841). [online] Available at: https://www.govtrack.us/congress/bills/103/hr3841 [Accessed 30 May. 2014].
9. Greenspan, Alan, *The Age of Turbulence: Adventures in a New World*, The Penguin Press, 2007.
10. Guasch L. J., Hahn W. R., *The Costs and Benefits of Regulation: Implications for Developing Countries*, The World Bank Observer, vol. 14, no. 1, 1999.
11. http://www.cato.org/publications/commentary/financial-crisis-bank-deregulation-myth
12. http://managementstudyguide.com/deregulation-for-businesses-and-consumers.htm [Date Accessed: 30 March 2014]
13. Justia US Supreme Court Center, (n.d.). Marquette Nat. Bank v. First of Omaha Svc. Corp. - 439 U.S. 299 (1978). [online] Available at: http://supreme.justia.com/ cases/federal/us/439/299/case.html [Accessed 30 May. 2014].
14. Kaufman G. G., Mote R. L, Rosenblum H, (1984), *Consequences of Deregulation for Commercial Banking*, The Journal of Finance, Vol. XXXIX, NO. 3, 1984
15. Keen, S., Deregulator: Judgment Day for microeconomics, *Utilities Policy*, vol. 12, no. 3, 2004
16. Law.cornell.edu. n.d. *12 U.S. Code § 225a - Maintenance of long run growth of monetary and credit aggregates | LII / Legal Information Institute*.
17. Levy B, Spiller T. P. *Regulations, Institutions, and Commitment: Comparative Studies of Telecommunications*, Cambridge University Press, 1996
18. Making Finance Work in Africa [online] http://www.mfw4a.org/legal-regulatory-environment/legal-regulatory-environment.html [Date Accessed: 30 March 2014]

19. Merriem-Webster [online], 2014 Available at: http://www.merriam-webster.com/dictionary/ deregulation [accessed: 23 March 2014]
20. MSG Expers, *Advantages and Disadvantages of Deregulation for Businesses and Consumers*, Management Study Guide [online], 2013, available at: http://managementstudyguide.com/deregulation-for-businesses-and-consumers.htm [Date Accessed: 30 March 2014]
21. Reid, Margret, *The Secondary Banking Crisis, 1973 -75: Its Causes and Course*, Macmillan, London, 2003
22. Sherman, Matthew, *A Short History of Financial Deregulation in the United States*, Center for Economic and Policy Research, 2009
23. Text of the Fair Credit Reporting Act, 15 U.S.C. §1681a
24. Thomas.loc.gov, (n.d.). Bill Summary & Status - 96th Congress (1979 - 1980) - H.R.4986 - THOMAS (Library of Congress). [online] Available at: http://thomas.loc.gov/cgi-bin/bdquery/z?d096:H.R.4986: [Accessed 30 May. 2014]
25. Thomas.loc.gov, (n.d.). Bill Summary & Status - 97th Congress (1981 - 1982) - H.R.6267 - THOMAS (Library of Congress). [online] Available at: http://thomas.loc.gov/cgi-bin/bdquery/z?d097:H.R.6267: [Accessed 30 May. 2014].
26. Winston C (1993) *Economic Deregulation: Days of Reckoning for Microeconomists*, Journal of Economic Literature, Vol XXXI, 1993