

For Immediate Release:

Banks Confident in DoL Readiness Preparations

Few Expect Rule to Be Overturned by Incoming Administration

CHAPEL HILL, NC NOVEMBER 17, 2016: The bank investment services industry is feeling confident about being ready to comply with the Department of Labor's Fiduciary Standard: 65% of bank and credit union investment services executives and 73% of executives at product partner firms say they are on track to be ready by the April 10th deadline. That was one of the findings from the Kehrer Bielan Survey of DoL Readiness conducted this week.

According to Tim Kehrer, the firm's senior research analyst, "Only 3% of respondents from financial institutions believe that the Rule will be repealed. Interestingly, 27% of product partner respondents think the new administration will scrap the Rule."

"So it is not surprising that nearly all bank and credit union investment services executives say they are continuing to prepare for April implementation: 95% of bank and credit union firms are planning for the rule to go into effect as scheduled, and only 5% have slowed down their preparations. By contrast, 18% of product partner respondents say their firms have pulled back, and another 9% have halted preparations entirely."

The bank and credit union respondents were evenly split between thinking the Rule would be delayed (28%), modified (34%), or left unchanged (34%). On the other hand, only 9% of the product partner respondents thought that the rule would stand as is.

Kehrer said that the industry is almost certainly headed towards an adjustment in advisor compensation. "Forty-eight percent of bank and credit union executives say they are going to change advisor comp plans to remove conflicts, regardless of what happens with the DoL Rule."

Fewer bank and credit union investment services firms will adopt some of the other facets of the DoL Rule if it is repealed: 29% would still adopt a best interest standard, and only 5% would eliminate commission products.

Seventy-seven bank, credit union, third party broker dealer, and product partner executives participated in an online survey conducted by Kehrer Bielan on Tuesday and Wednesday.

About Kehrer Bielan Research & Consulting. KBR&C provides the financial advice industry with insights based on a melding of research and experience in managing the delivery of investment, insurance, and wealth management services. The firm provides performance assessment and benchmarking, human resource management and development, due diligence, consumer insights, and interpretation of industry trends through its original research, unbiased consulting, and peer study groups.

Please visit us at www.KehrerBielan.com or e-mail info@kehrerbielan.com for more information.