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February 6, 2018

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Ranking Democrat
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Ryan and Ranking Democrat Pelosi:

On behalf of the nearly 5,700 community banks represented by ICBA, I write to thank you for scheduling floor consideration of the Small Bank Holding Company Relief Act of 2018 (H.R. 4771), introduced by Rep. Mia Love, which would raise the consolidated assets threshold for the Federal Reserve's Small Banking Holding Company Policy Statement (Policy Statement) from \$1 billion to \$3 billion. **ICBA urges all members of the House to vote YES on H.R. 4771.**

The Policy Statement is a set of capital guidelines with the force of law that allows qualifying holding companies to raise and carry more debt than larger holding companies and potentially downstream the proceeds to their subsidiary banks. The Policy Statement plays an important role in capital formation for smaller bank and thrift holding companies that have limited access to equity markets. A higher threshold will help more community banks meet their higher capital requirements under Basel III.

The Policy Statement contains safeguards to ensure that it will not unduly increase institutional risk. These include limits on outstanding debt and on off-balance sheet activities (including securitization), a ban on nonbanking activities that involve significant leverage, limitations on dividends, and a requirement that each depository institution subsidiary of a small bank holding company remain well capitalized.

Finally, we note that H.R. 4771 matches a provision of S. 2155, a more comprehensive community bank regulatory relief bill which will promote lending, economic growth and job creation in our communities. ICBA urges all members of the House to support S. 2155 when it is sent over from the Senate.

Thank you again for scheduling floor consideration of H.R. 4771.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the U.S. House of Representatives