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June 14, 2013

The Honorable Robert Pittenger
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Pittenger:

On behalf of the 7,000 community banks represented by ICBA, I write to thank you for introducing the Right to Lend Act (H.R. 2323), which would repeal Section 1071 of the Dodd-Frank Act. ICBA strongly supports H.R. 2323. Relief from the small business loan application data collection requirements of Section 1071 is a component of ICBA's Plan for Prosperity: A Regulatory Relief Agenda to Empower Local Communities.

Under Section 1071, a financial institution must inquire of any applicant for business credit whether the applicant is a small business or women-owned or minority-owned business and must maintain a record of the responses to this inquiry separate from the applications. In addition, these records are to be kept separate from the underwriting process. In other words, the requirement creates a separate bureaucracy within the bank that cannot be integrated with lending operations. This is especially inefficient and may not be feasible in organizations that are too small to accommodate fire wall structures. The cost of this new mandate will be disproportionately high for community banks that simply do not have the scale to spread compliance costs over a large asset base.

An additional concern is that data collected by community banks and subsequently made public by the CFPB could compromise the privacy of applicants in small communities where an applicant's identity may be easily deduced, despite the suppression of personally identifying information.

For these reasons, ICBA strongly supports H.R. 2323 which would repeal Section 1071 of the Dodd-Frank Act. Thank you again for introducing this legislation. We look forward to working with you to advance it into law.

Sincerely,
/s/
Camden R. Fine
President and CEO