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President and CEO

June 28, 2013

The Honorable Shelley Moore Capito
Chairman
Subcommittee on Financial Institutions
& Consumer Credit
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Gregory Meeks
Ranking Member
Subcommittee on Financial Institutions
& Consumer Credit
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Capito and Ranking Member Meeks:

On behalf of the 7,000 community banks represented by the ICBA, I write to express our support for the Determination of Appropriate Risk-Based Capital Requirements for Community Financial Institutions Act of 2013 (H.R. 2547), which would require the Federal Reserve, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency to conduct an empirical study prior to finalizing proposed rules under the International Basel III agreement on risk based capital standards. Any delay in the final rules would not apply to global systemically important banks, as identified by the Financial Stability Board.

ICBA seeks a full exemption for all banks with less than \$50 billion in assets from all new capital rules under Basel III in order to avoid even greater industry concentration that would jeopardize credit for consumers and business borrowers, especially in small communities. We expressed our strong support for a Basel III exemption in our October 22, 2012 comment letter to the banking agencies. Such an exemption is by far the best outcome and we believe a compelling, empirically-based case for it currently exists.

ICBA fully expects that an empirical study, if carried out properly, would lend further support to our call to exempt community banks, which should never have been included in Basel III in the first place.

Thank you for introducing H.R. 2547.

Sincerely,

/s/

Camden R. Fine
President & CEO