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August 27, 2013

The Honorable Andrew Barr
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Barr:

On behalf of the 7,000 community banks represented by ICBA, I write to thank you for sponsoring the Portfolio Lending and Mortgage Access Act of 2013 (H.R. 2673), which would provide that any residential mortgage held in portfolio by the originator is a “qualified mortgage” for the purposes of the Consumer Financial Protection Bureau’s “ability to repay” rule. H.R. 2673 embodies a priority provision of ICBA’s Plan for Prosperity: A Regulatory Relief Agenda to Empower Local Communities. We are pleased to offer our strong support for your legislation.

H.R. 2673 represents needed, sensible regulatory relief. When lenders hold mortgages in portfolio, they have every incentive to ensure that the mortgage is conservatively underwritten and that the borrower has the ability to repay. The prospect of litigation under the new “ability to repay” rule will only deter lending, especially for community banks, curtail credit for credit worthy borrowers, and impede the recovery of the housing market. “Qualified mortgage” status for all mortgages held in portfolio will shield lenders from superfluous litigation. This is a simple, commonsense fix that will promote the flow of credit in our communities.

Thank you again for sponsoring H.R. 2673. We look forward to working with you to advance your legislation.

Sincerely,

/s/

Camden R. Fine
President and CEO

Cc: Members of the U.S. House Committee on Financial Services