May 24, 2018

The Honorable J. Michael Mulvaney
Acting Director
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Re: Implementation of Relief Measures from the Economic Growth, Regulatory Relief, and Consumer Protection Act

Dear Acting Director Mulvaney:

The Independent Community Bankers of America (ICBA)[1] is extremely pleased by the passage of the Economic Growth, Regulatory Relief, and Consumer Protection Act (the Act). This bipartisan Act contains numerous provisions that will improve the availability of credit and other banking services for millions of Americans by lessening the regulatory burden for the community banks that serve them. As soon as President Trump signs this monumental Act into law, we ask that the Bureau of Consumer Financial Protection (BCFP or Bureau) speedily promulgate a series of interim final rules so that consumers and community banks can benefit from the relief as soon as possible.

Section 101: Minimum Standards for Residential Mortgage Loans – Increased Availability of Small Creditor QM Loans

One of the most critical parts of the Act for mortgage borrowers is further adjustment of the Qualified Mortgage (QM) rule to enable community banks to better meet their customers' needs. In recognition of the fact that portfolio mortgages originated and held by community banks are less risky and more responsible than the loans that led to the financial crisis, the Act expands the coverage of the BCFP's Small Creditor QM loan. Now more community banks will

[1] The Independent Community Bankers of America®, the nation's voice for nearly 5,700 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services. With nearly 52,000 locations nationwide, community banks employ 760,000 Americans, hold $4.9 trillion in assets, $3.9 trillion in deposits, and $3.3 trillion in loans to consumers, small businesses, and the agricultural community. For more information, visit ICBA's website at www.icba.org.

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have the opportunity to originate a mortgage that is tailored to the individual needs of a borrower, making loans that are a better fit for millions of American homeowners.

To help these homeowners receive the benefits of tailored mortgages, ICBA urges the Bureau to issue an interim final rule to amend 12 C.F.R. 1026.43. This would enable banks with assets of up to $10 billion to originate Small Creditor QM loans and provide their customers with the flexibility that such loans entail, such as debt-to-income ratios that make sense for the individual borrower.

Section 104: Home Mortgage Disclosure Act Adjustment and Study

This section of the Act changes the data gathering and reporting for smaller institutions that must report under the Home Mortgage Disclosure Act (HMDA). Specifically, except for "Age," covered institutions that originate fewer than 500 closed-end mortgages or fewer than 500 open-end lines of credit will not be required to collect and report the data fields described in paragraphs 5 and 6 of section 304 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803), as amended, provided those institutions have not been rated as "needs to improve" or "substantial non-compliance" in meeting Community Reinvestment Act (CRA) obligations by their prudential regulator.

Those institutions that maintain a "satisfactory" or better CRA rating and that originate fewer than 500 covered loans annually will only be required to collect and report the HMDA data set used prior to the 2015 Final HMDA Rule.

The 2015 HMDA Final Rule has been extremely burdensome for smaller institutions and very costly to implement. We request the Bureau provide flexibility in the current collection and reporting of 2018 data requirements while eligible institutions adjust to provisions in the Act. We believe the Bureau can implement this change through an interim final rule even as eligible institutions transition their collecting and reporting platforms.

Section 108: Escrow Requirements Relating to Certain Consumer Transactions

The Act provides extended relief from mandatory escrow requirements that are imposed on higher priced mortgage loans or HPMLs through section 129D of the Truth in Lending Act (15 U.S.C. 1639D). Insured depositories with assets of $10 billion or less that originate 1,000 or fewer mortgage loans secured by a first lien on a principal dwelling will not be required to establish escrow accounts for loans originated and retained in portfolio by those institutions. We believe the Bureau can implement this change quickly and easily through an interim final rule.

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This change will complement the QM Rule changes mentioned earlier in this letter and will help ease the regulatory burden on community bank lenders and encourage them to increase access to mortgage credit in their communities.

Section 109: No Wait for Lower Mortgage Rates

Another key provision of the Act helps expedite the mortgage closing process by removing the three-day waiting period required under TILA-RESPA disclosure rules when the creditor extends a second offer of credit with a lower APR. Prior to this Act, lenders were required to ensure a borrower received the disclosures at least three days before the closing of the mortgage when new mortgage terms were offered by the lender, whether they were positive for the consumer or not. Section 109 provides that a consumer will not have to wait an additional three days for a disclosure that reflects a lower APR.

Current implementation guidance published by the Bureau already reflects the spirit of this change, so it is a matter of codifying it as an interim final rule. ICBA urges the Bureau to make official changes to 15 U.S.C. 1639(b) as soon as possible so creditors and consumers can consummate mortgage transactions without unnecessary delay.

ICBA has tirelessly advocated in support of this Act so that millions of Americans can reap the benefits of a streamlined regulatory environment for community banks. Once the Act becomes law, the final step to improved mortgage credit access will be for the Bureau to promulgate regulations to implement the regulatory relief for community banks. We believe that under your leadership, this relief can be achieved without delay.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

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