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June 11, 2014

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street, SW
Suite 3E-218
Washington, DC 20219

Re: Assessment of Fees; OCC Docket ID OCC-2014-0009

Dear Sir or Madam:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on the Office of Comptroller of the Currency (OCC) proposal to increase assessments for certain national banks and Federal savings associations (FSAs). Under the proposal, assessment increases for banks and FSAs with assets of more than \$40 billion would range between 0.32 percent and approximately 14 percent, depending on the total assets of the institution as reflected on its June 30, 2014 Call Report. **The proposal would not increase assessments for banks or FSAs with \$40 billion or less in total assets.**

ICBA's Comments

ICBA commends the OCC for its tiered approach to assessing national banks and FSAs and recognizing that those institutions that are larger and more complex (i.e., those institutions with assets over \$40 billion) should bear the burden of higher assessments because of the OCC resources that are necessary to regulate and supervise them. As OCC indicated in its proposal, the proposed increase in assessments reflects the new supervisory and regulatory obligations for the OCC created by the Dodd-Frank Act. Many of these new obligations concern the supervision and regulation of

¹ *The Independent Community Bankers of America®*, the nation's voice for nearly 7,000 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.

ICBA members represent more than 24,000 locations nationwide and employ more than 300,000 Americans, ICBA members hold more than \$1.2 trillion in assets, \$1 trillion in deposits, and \$750 billion 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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systemically important financial institutions or SIFIs which under the Dodd-Frank Act are defined as those financial institutions with over \$50 billion in assets.

For instance, the Dodd-Frank Act now requires strenuous stress testing, particularly for SIFIs. According to the OCC, the agency is devoting considerable resources to developing the regulation, guidance, and reporting templates necessary to implement this statutory requirement and must allocate a substantial number of supervisory personnel to review each year's stress testing submissions. Furthermore, the OCC will have substantial regulatory responsibilities with respect to the implementation of the Volcker Act, and these will be devoted to supervising and monitoring compliance by the large bank SIFIs. The OCC's guidance on heightened expectations and Basel III will also impose substantial burdens on that agency's resources.

Since the OCC has not raised marginal rates on the assets of large banks since 1995, we believe the OCC has presented a compelling case for increasing the assessments on the large banks, particularly since the OCC's responsibilities for large bank supervision has increased so dramatically since then. By contrast, any rate increase on community banks would strain their limited resources and would not be justifiable in light of the fact that the bulk of the OCC's new responsibilities are directed towards large institutions.

ICBA strongly supports a system of tiered regulation—regulatory and supervisory policies that recognize the significant differences between community banks and larger, more complex institutions in terms of the risks they pose to the financial system and the resources that are required to supervise them. **The OCC's proposal is an excellent example of a tiered approach to regulation and supervision, and ICBA strongly supports it.**

For example, not only would marginal rates for banks and FSAs with \$40 billion or less in assets remain the same, but the projected assessment rate for banks with more than \$40 billion in assets would be tiered based on asset size, so that the increases would range between 0.32 percent and 14 percent, depending on each institution's total assets. According to the OCC, the effect of the proposal on the twenty-five banks with more than \$40 billion in total assets that the agency supervises would be nominal, whereas, if the increased assessment had been extended to all institutions, the impact would have been much more significant to community banks.

ICBA appreciates the opportunity to comment on OCC's proposal to increase assessments for certain national banks and Federal savings associations. If you have any questions or would like additional information, please do not hesitate to contact me by email at Chris.Cole@icba.org or by phone at (202) 659-8111.

Sincerely,
/s/ Christopher Cole
Christopher Cole
Senior Vice President and Senior Regulatory Counsel

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