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April 27, 2015

The Honorable Keith Rothfus
U.S. House of Representatives
Washington, D. C. 20515

Dear Representative Rothfus:

On behalf of the more than 6,000 community banks represented by ICBA, I write to express our support for the Federal Savings Association Charter Flexibility Act (H.R. 1660) which would create a new national charter option for federal savings associations.

Under H.R. 1660, a federal savings association, or thrift, could elect to be regulated as a Covered Savings Association (CSA) with authority to exercise the full range of national bank powers. H.R. 1660 would provide flexibility for institutions to choose the business model that best suits their needs and the communities they serve, without having to go through the process or incurring the legal expense of converting to a national bank charter.

H.R. 1660 does not address whether the holding company of a CSA would become subject to regulation and supervision under the Bank Holding Company Act of 1956 (BHCA) once the CSA exercises national bank powers. The legal status of CSA holding companies should be clarified since the requirements of the BHCA and the Savings and Loan Holding Company Act (SLHCA) differ. Of special concern are grandfathered unitary savings and loan holding companies (GUSLHCs)—non-bank and commercial firms—exempted from provisions of the SLHCA and BHCA by the Gramm-Leach-Bliley Act so long as their subsidiary thrifts exercise only thrift powers. These entities should not be granted full national bank powers without corresponding BHCA supervision and regulation. ICBA looks forward to working with you to clarify the status of CSA holding companies under the proposed legislation.

Thank you for introducing H.R. 1660. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the House Financial Services Committee

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1615 L Street NW, Suite 900, Washington, DC 20036-5623 | 800-422-8439 | FAX: 202-659-1413 | Email: info@icba.org | Website: www.icba.org