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March 23, 2015

The Honorable Scott Garrett
Chairman
Subcommittee on Capital Markets and
Government Sponsored Enterprises
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Garrett:

On behalf of the 6,400 community banks represented by the Independent Community Bankers of America, I write to express our support for the Community Bank Access to Capital Act of 2015 (H.R. 1523). By creating new capital options for community banks, H.R. 1523 will enhance community banks' viability and independence and help them continue to serve their customers and communities. We are pleased these legislative changes encompass ICBA's Plan for Prosperity platform of capital reforms designed to support robust capital and lending levels in communities nationwide.

H.R. 1523 contains five provisions:

- **Restoring the Original Intent of the Basel III Rule.** H.R. 1523 would exempt banks with assets of \$50 billion or less from Basel III capital rule. Basel III was originally intended to apply only to large, internationally active banks.
- **Relief from Redundant Attestation Mandate.** H.R. 1523 would provide an exemption from internal control attestation requirements for community banks with assets of less than \$1 billion. The current exemption applies to any company with market capitalization of \$75 million or less. Because extensive community bank internal control systems are monitored continually by bank examiners, they should not have to sustain the unnecessary and redundant annual expense of paying an outside audit firm for attestation work.
- **Preserving Private Securities Offerings.** H.R. 1523 would bar the Securities and Exchange Commission from placing new restrictions on unregistered, private offerings. It would also raise the limitation on non-accredited investors who may invest in a company's private offering from 35 to 70.

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- **Additional Capital for Small Bank Holding Companies: Modernizing the Federal Reserve's Policy Statement.** H.R. 1523 would raise the qualifying asset threshold for the Federal Reserve's Small Bank Holding Company Policy Statement from \$1 billion to \$5 billion. The Policy Statement, a set of capital guidelines that have the force of law, makes it easier for small bank and thrift holding companies to raise additional capital by issuing debt.
- **Parity for Savings and Loan Holding Companies.** Due to an oversight in the 2012 Jobs Act, savings and loan holding companies do not have statutory authority to take advantage of new shareholder registration and deregistration thresholds. This puts them at an unwarranted disadvantage relative to bank holding companies. H.R. 1523 would correct this oversight in statute.

Thank you for introducing the Community Bank Access to Capital Act. If enacted, H.R. 1523 will play a critical role in preserving a vibrant and competitive financial system that benefits consumers and businesses of all sizes.

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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