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May 20, 2015

The Honorable Richard Shelby
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Shelby:

On behalf of the more than 6,000 community banks represented by the Independent Community Bankers of America, I write to thank you for marking up the Financial Regulatory Improvement Act of 2015. We support your efforts to advance meaningful community bank relief.

As numerous surveys and empirical studies have demonstrated, the sharp increase in regulatory burden on community banks is adversely impacting the customers and communities they serve. These surveys and studies merely confirm the growing sense of urgency we hear from community bankers every day. Left unaddressed, this burden will thwart the true economic potential of thousands of communities across the country. These communities rely on community bank credit to sustain and grow small businesses and help individuals purchase homes, save for their futures and meet other financial goals. Meaningful regulatory relief cannot be deferred any longer. We're grateful for your commitment to moving forward with a robust package.

Individually and collectively, the community bank regulatory relief sections of your bill will allow community banks to return to doing what they do best, underwriting local economic growth and improving the lives of individual Americans. Many of the sections reflect ICBA's Plan for Prosperity and have been previously advanced in solid bipartisan bills. These much needed provisions include qualified mortgage (QM) status for mortgages held in portfolio, which will allow community bankers the flexibility they need to serve many customers currently excluded under the QM rule. Community banks holding 100 percent of the credit risk in their portfolios will ensure more sound underwriting than any prescriptive set of rules.

In addition, your bill will ensure that the "rural lender" designation does not require a lender to operate "predominantly" in rural areas and will provide for more accurate identification of truly rural areas. We also support the provisions that enable examination cycles commensurate with the risk posed by community banks, bring more accountability to exams by the creation of an Ombudsman, address run-away call report burden, provide relief from redundant privacy notices, ensure critical exemption thresholds keep pace with inflation and are appropriate for the size and scope of the institutions and businesses they cover, and exempt community banks from the

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Volcker Rule which was clearly intended for complex, high risk institutions. Additional provisions would provide commonsense reforms without compromising safety and soundness or consumer protections.

This robust package of regulatory relief is strongly encouraging to community bankers. We look forward to working with all members of the Senate Banking Committee to ensure that significant and meaningful relief is achieved. Our communities cannot afford continued gridlock and inaction.

Thank you again for marking up the Financial Regulatory Improvement Act of 2015.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the Senate Committee on Banking, Housing, and Urban Affairs

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