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*President and CEO*

October 15, 2013

Mr. Edward DeMarco  
Acting Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street SW  
Washington, D.C. 20024

Dear Acting Director DeMarco:

I am writing to you today on behalf of the Independent Community Bankers of America (ICBA) and its nearly 5,000 community bank members, to express our concerns regarding a possible reduction in the conforming loan limits by your Agency. As you know, the Fannie Mae and Freddie Mac conforming loan limits have far reaching impacts on the ability of Americans to buy or refinance a home. While many community banks make mortgage loans and retain them in their portfolios, many community banks rely on the secondary market to enable them to provide a stable source of affordable 30-year fixed-rate mortgage financing in their communities.

A reduction of the GSE maximum loan limits will reduce credit availability in many markets both large and small across America. Community banks in high cost markets are especially concerned that the reduction of the special high cost loan amounts will leave them without the ability to offer their customers competitive fixed-rate mortgage financing, resulting in that segment of the mortgage business being ceded to and further dominated by the largest too-big-to-fail banks.

Our members are also concerned that the confluence of this major change in the mortgage market, becoming effective along with the new mortgage rules for Ability to Repay/Qualified Mortgages, Mortgage Servicing, Appraisals, Mortgage Loan Originator Compensation, and Escrow, will further constrain credit in all markets as lenders struggle to implement and adapt to all of the changes at once.

ICBA continues to support a reduction in the government footprint of the mortgage market and a return of more private capital to fund mortgage lending. However, we urge you to defer this far reaching and potentially disruptive change until after the market place has fully recovered from the implementation of the new CFPB mortgage rules.

Thank you for your thoughtful consideration of our request.

Sincerely,

/s/

Camden R. Fine  
President and CEO