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February 10, 2014

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Boehner and Democratic Leader Pelosi:

On behalf of the nearly 7,000 community banks represented by the Independent Community Bankers of America, I write to express our support for key provisions included in the Consumer Financial Protection Safety and Soundness Improvement Act of 2013 (H.R. 3193), sponsored by Rep. Sean Duffy, which would improve the governance of the Consumer Financial Protection Bureau (CFPB) and the review standard for CFPB rules. These provisions are included in ICBA's Plan for Prosperity: A Regulatory Relief Agenda to Empower Local Communities.

CFPB Governance

H.R. 3193 would change the structure of the CFPB so that it is governed by a five member commission rather than a single director. Commission governance would allow for a variety of views and expertise on issues before the CFPB and thus build in a system of checks and balances that is absent in a single director form of governance. I would also note that other federal regulators with jurisdiction over financial services providers, including the Federal Deposit Insurance Corporation, the Federal Reserve, and the Securities and Exchange Commission, all function quite well with similar governance structures.

Review Standard of CFPB Rules

H.R. 3193 authorizes the Financial Stability Oversight Council (the "Council") to stay or set aside any CFPB rule if a majority of the Council, excluding the Director of the CFPB, finds that it is "inconsistent with the safe and sound operations" of U.S. financial institutions. Current law requires a vote of two thirds of the Council and a finding that the rule puts the banking or financial system at risk. ICBA believes that this is an impossibly high standard that does little to strengthen CFPB rulemaking. In addition, the bill requires the CFPB to consider the impact of any rule on the financial safety or soundness of an insured depository institution.

Combined, these changes would better protect the safety and soundness of the financial system, and provide reasonable measures to insulate community banks from additional regulatory burden. ICBA thanks the House for advancing these important provisions.

Sincerely,

/s/

Camden R. Fine
President and CEO