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March 12, 2014

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the nearly 7,000 community banks represented by ICBA, I write to express our support for the Restoring Proven Financing for American Employers Act (H.R. 4167), introduced by Rep. Andy Barr, which will allow community banks to retain debt securities of collateralized loan obligations (CLO) issued before January 31, 2014. H.R. 4167 will protect community banks from an arbitrary and damaging provision of the final Volcker Rule.

As you know, the final Volcker Rule, issued December 10, requires banks, including community banks, to divest their holdings of CLOs by July 2015. Left unaddressed, this requirement could cause a significant, immediate and permanent loss of capital for community banks that hold these securities and are still recovering from the financial crisis. H.R. 4167 would avert this damaging and unanticipated outcome by repealing the divestment requirement for CLOs issued before January 31.

Thank you again for marking up H.R. 4167. We look forward to working with you to advance this legislation after it emerges from committee.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the House Financial Services Committee

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