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July 14, 2016

The Honorable Patrick McHenry
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative McHenry:

On behalf of the more than 6,000 community banks represented by ICBA, I write to thank you for introducing the Protecting Consumers' Access to Credit Act of 2016 (H.R. 5724), which would reaffirm federal preemption over state usury laws and thereby, as the bill's title suggests, preserve consumer access to credit, sustain consumer purchasing, and help strengthen the economic recovery and job creation.

A recent appeals court ruling that the National Bank Act's preemption of state usury laws does not extend to transferred debt, and the Supreme Court's decision not to review that ruling, directly reduces the value of holding consumer debt. Once a consumer loan is made, it cannot be transferred under the same terms, but will be subject to a patchwork of state laws. The appellate court ruling will result in higher rates for consumers, reduced access to credit, or both. ICBA disagrees with the appellate court decision, which conflicts with established precedent that preemption rights are not extinguished when banks sell or assign loans to another party. ICBA supports H.R. 5724 which will reaffirm the National Bank Act's preemption of state usury laws.

Thank you again for introducing this important bill. ICBA looks forward to working with you to advance it.

Sincerely,

/s/

Camden R. Fine
President & CEO

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