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April 27, 2017

The Honorable Blaine Luetkemeyer  
Chairman  
Subcommittee on Financial Institutions and Consumer Credit  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Luetkemeyer:

On behalf of the more than 5,800 community banks represented by ICBA, I write to thank you for sponsoring the Community Lending Enhancement and Regulatory Relief Act of 2017 (H.R. 2133), which advances priority provisions of ICBA's Plan for Prosperity. We are pleased to offer our strong support for your legislation.

The regulatory relief provisions of H.R. 2133 include:

- **Preservating Community Bank Mortgage Lending:** Provide automatic "qualified mortgage" status for mortgages held in portfolio; an exemption from escrow requirements for community bank mortgages held in portfolio; an increase in the small servicer exemption threshold from 5,000 loans to 30,000 loans serviced annually; an exemption from independent appraisal requirements for "high-priced" mortgages of \$250,000 or less held in portfolio; significantly higher exemption thresholds under the Home Mortgage Disclosure Act; and repeal of punitive new capital requirements for mortgage servicing assets under Basel III.
- **Cutting the Red Tape in Small Business Lending:** Repeal onerous Dodd-Frank small business loan application data collection requirements (which are not yet implemented).
- **Supporting Additional Capital Opportunities for Small Bank Holding Companies:** Raise the eligibility threshold for the Federal Reserve's Small Bank Holding Company Policy Statement from assets of \$1 billion or less to assets of \$10 billion or less.

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- **Eliminate Arbitrary “Disparate Impact” Fair Lending Lawsuits:** Amend the Equal Credit Opportunity Act and the Fair Housing Act to bar “disparate impact” causes of action and to require discriminatory intent for fair lending violations.
- **CFPB Exam Threshold:** Exempt all banks with assets of \$50 billion or less from examination and enforcement by the CFPB. These banks would be examined and supervised by their prudential regulators for compliance with consumer protection regulation.
- **Operation Choke Point:** Bar banking regulators from ordering or pressuring a bank to close a customer account based solely on “reputational risk.”
- **TRID Waiting Period:** Create a waiver from the mandatory waiting period prior to mortgage closure under the TRID rule.
- **Stable Funding to Support Community Lending:** Facilitate the use of reciprocal deposits, which allow community banks to serve large local depositors and keep their funds in the community.

These provisions and others included in H.R. 2133 will provide meaningful regulatory relief to community banks allowing them to promote and support entrepreneurship, job creation, home ownership, and economic growth in their communities.

Thank you again for sponsoring H.R. 2133. We look forward to working with you to advance your legislation.

Sincerely,

/s/

Camden R. Fine  
President & CEO

CC: Members of the House Committee on Financial Services

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