Submitted Electronically – http://www.regulations.gov

July 31, 2017

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1275 First Street NE
Washington, DC 20002

Re: Request for Comment Regarding Home Mortgage Disclosure (Regulation C) Temporary Increase in Institutional and Transactional Coverage Thresholds for Open-End Lines of Credit Docket No. CFPB-2017-0021

Dear Ms. Jackson:

The Independent Community Bankers of America[1] (ICBA) appreciates the opportunity to comment on the Consumer Financial Protection Bureau ("Bureau" or "CFPB") request for comment regarding the proposed Home Mortgage Disclosure Act ("Regulation C" or "HMDA") temporary increase in institutional and transactional coverage thresholds for open-end, dwelling-secured lines of credit, commonly known as Home Equity Lines of Credit ("HELOCs").

[1] The Independent Community Bankers of America®, the nation's voice for more than 5,800 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

With 52,000 locations, nationwide, community banks employ 760,000 Americans, hold $4. 7 trillion in assets, $3. 7 trillion in deposits, and $3. 2 trillion in loans to consumers, small businesses, and the agricultural community. For more information, visit ICBA's website at www. icba. org.

Background

The Bureau is proposing amendments to Regulation C that would, for a period of two years, increase the threshold for collecting and reporting data on open-end lines of credit so that financial institutions originating fewer than 500 open-end lines of credit in either of the preceding two years would not be required to begin collecting and reporting such data until January 1, 2020. The Bureau will reconsider the appropriate threshold during this two-year period.

This proposal is in response to repeated requests by ICBA and other industry stakeholders to exempt more small volume lenders from the extremely onerous collection and reporting requirements contained in the Bureau's 2015 HMDA Final Rule.

ICBA Comments

Community banks are committed to serving the housing needs of their communities in compliance with fair lending laws. However, ICBA remains deeply concerned about the staggering addition of data collection and regulatory burden imposed by the 2015 HMDA Final Rule and the unintended negative impact on consumers as the potential for financial institutions exiting the business increases.

Consequently, ICBA supports this proposal to temporarily increase the collection and reporting threshold for HELOCs to provide community banks and other small institutions temporary relief from the onerous compliance burden, and ICBA appreciates the Bureau's efforts to respond to the concerns of ICBA and others. In addition, ICBA strongly urges the Bureau to finalize this proposed amendment in an expeditious manner to provide compliance certainty as soon as possible.

Moreover, while this proposed regulatory burden relief is encouraging, ICBA strongly urges the CFPB to make additional amendments to Regulation C to broaden the exemptions for community banks and other small financial institutions and to extend the implementation date. Regarding broadening the small financial institution exemptions, ICBA strongly supports the Bureau increasing the collection and reporting thresholds for closed-end first-lien mortgages until January 1, 2020 consistent with the proposal for increasing the HELOC threshold. Such action will provide comprehensive regulatory burden relief for community banks and enable the Bureau to determine the appropriate balance in finalizing both thresholds. Additionally, ICBA is seeking statutory changes that increase the collection and reporting thresholds to permanently exempt institutions that originate fewer than 1,000 closed-end first lien mortgages and/or 2,000 HELOCs. ICBA strongly encourages the Bureau to permanently adopt these threshold increases by amending Regulation C.

ICBA also strongly urges the Bureau to delay the January 1, 2018 effective date to January 1, 2019 to ensure financial institutions of all sizes and software vendors are indeed ready to comply with the vast amount of new data required under the 2015

HMDA Final Rule. ICBA continues to hear from member banks of all sizes that the various software vendors supporting HMDA reporting are not ready and have not delivered the required updates. These community banks cannot move forward with training or testing until the updates are in place. The Bureau is well positioned to mitigate the impact of new HMDA requirements on community banks. This proposal is a meaningful start; however, ICBA is adamant that permanently increasing both reporting thresholds and delaying the effective date to January 1, 2019 would provide a consistent and stable regulatory environment that encourages community banks to invest in the future of their local economies without significantly impacting the mortgage data available to the Bureau, or impairing the purpose of HMDA. Additionally, a one-year delay would afford the CFPB additional time to address the concerns of ICBA and others regarding:

- privacy and the potential for consumer re-identification under the 2015 Final HDMA rule;
- adjustments to the reporting error thresholds for lower-volume lenders; and
- the inclusion of commercial loans.

Thank you for the opportunity to respond to the proposal. If you have any questions or would like additional information, please contact Rhonda Thomas-Whitely (Rhonda. Thomas-Whitley@icba. org) at 202-659-8111.

Sincerely,

/s/

Rhonda Thomas-Whitley
Assistant Vice President & Regulatory Counsel