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CAMDEN R. FINE
President and CEO

July 12, 2010

Associated Press
450 W. 33rd St.
New York, NY 10001

Dear Editor:

Now that the debate on financial regulatory reform has resulted in a final bill, I feel almost the way I do at the end of a long and contentious presidential race. In the run-up, way too much has been promised and criticized by both sides to gain support; now it's time to sort out the good ideas from the bad. It's time to find out what's reasonable and workable.

While we're at it, we also need to take a look at the stories circulating in the media to see if the facts are right and the conclusions are solid. Take the recent story by Stephen Manning and Marcy Gordon ("Out of Reach," July 8, AP) that applies the kind of circular reasoning that makes me dizzy. Let me see if I can untangle it.

Thanks to an industry-wide, provable record of dealing fairly and honestly with consumers, thanks to common-sense lending practices that are built into our business model and thanks to our focus on and commitment to customer service, most of the community banking industry is exempt from the examination and enforcement authority for the Consumer Financial Protection Bureau. It wasn't fancy footwork that gained us exemptions; it was the fact that community banks played no role in the abuses of financial consumers.

But it's more than a wild leap for Manning and Gordon to then conclude that the community banks considered safe and sound enough, regulated enough and trustworthy enough to fall outside the examination and enforcement purview of the CFPB, then become less consumer friendly because of that well-earned exemption.

Actually, the true intent of the CFPB provisions in the financial reform bill is to bring other financial institutions up to the consumer protection standards of community banks. But more specifically, any consumer protection regulations the CFPB adopts will apply equally to community banks, larger banks and nonbanks. It's just that the bill calls for the existing banking agencies to enforce CFPB rules for the majority of community banks.

And that's for a very good reason—community banks already undergo a mindboggling array of examinations that nonbank financial providers do not, nor will they have to under the financial reform bill, and the existing banking agencies know how to balance both safety and soundness and consumer-protection goals so as not to break the backs of community banks.

The auto dealers – exempt from both rules and examinations – are another story entirely. ICBA and its more than 5,000 member community banks did not support their exemptions for the same reason we believe that the nonbanks that were at the bottom of the subprime mortgage mess also must be regulated. If they're going to provide the same financial services, then they need to play by the same rules we do. They need to be made accountable.

Community bankers live and work in the same neighborhood as our customers. I do not know of any community bankers who would jeopardize their reputation, their professional career and their franchise by misleading or abusing customers. That's just not how we operate. We don't need a consumer agency to make sure we're doing what we've been doing for generations.

Sincerely,

A handwritten signature in black ink that reads "Camden R. Fine". The signature is fluid and cursive, with a long horizontal stroke at the end.

Camden R. Fine
President and CEO
Independent Community Bankers of America