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June 22, 2010

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Christopher J. Dodd
Chairman
Committee on Banking, Housing and Urban
Affairs
U.S. Senate
Washington, DC 20510

Dear Chairmen Frank and Dodd:

On behalf of the nearly 5,000 members of the Independent Community Bankers of America, I write to express our support for certain provisions of the conference base text to the Wall Street Reform and Consumer Protection Act of 2010 related to the Consumer Financial Protection Bureau (CFPB).

ICBA greatly appreciates that the conference base text (as well as the House- and Senate- passed bills) provides an exemption for banks with less than \$10 billion in assets from primary examination and enforcement of the CFPB. The community bank business model is based on long-term customer relationships, often in small communities. Community banks have an exemplary record of treating their customers fairly, and the CFPB should focus its resources where the risk of consumer abuse is greatest.

ICBA supports the provision of the conference base text that allows the CFPB to make referrals to the prudential regulator and recommend appropriate action. The prudential regulator is required to respond in writing within 60 days. The referral mechanism of the base text gives the CFPB opportunity to raise concerns with an exempt bank's prudential regulator and ensure that the regulator responds in a timely fashion. In addition, the conference base text allows the CFPB to be included in the prudential regulator's examination on a "sampling basis" and to provide input into the scope and conduct of the exam and the exam report and rating. ICBA strongly believes that these provisions are appropriate.

With regard to a second but related issue, ICBA opposes an exemption from the CFPB for auto dealers. We believe that the CFPB should be focused on the under regulated

financial services providers, including auto dealers, rather than highly-regulated community banks. When auto dealers offer financing to customers – generally as a conduit for manufacturers’ captive finance arms – the dealers provide consumers loans and leases that are second only to home mortgages in importance to most families. Yet, their financing activities are not subjected to the same level of regulatory scrutiny as the auto lending activities of community banks. Exempting auto dealers would create a gaping loophole in the CFPB and would give auto dealers – as well as the manufacturers’ captive finance arms that provide financing through them – a competitive advantage over community banks and reduce consumer choice in auto loans.

We urge the conferees to oppose exemptions to the CFPB for non-depository lenders, including auto dealers.

Thank you for your consideration.

Sincerely,

/s/

Camden R. Fine
President & CEO

cc: Conferees to the Wall Street Reform and Consumer Protection Act of 2010