



INDEPENDENT COMMUNITY
BANKERS *of* AMERICA

Statement of the

Independent Community Bankers of America

**For the Record
in the
Hearing on**

**“H.R. 2382, the Credit Card Interchange Fees Act of 2009 and H.R. 3639, the
Expedited CARD Reform for Consumers Act of 2009”**

Before the

**Congress of the United States
House of Representatives
Committee on Financial Services**

October 8, 2009
Washington, D.C.

The Independent Community Bankers of America¹ (ICBA) welcomes the opportunity to share its views with members of the Committee on Financial Services on H.R. 3639, the Expedited CARD Reform for Consumers Act of 2009, which would advance the February 22, 2010 and July 22, 2010 effective dates for the reforms in the Credit Card Accountability, Responsibility and Disclosure Act of 2009 (H.R. 627) to December 1, 2009.

Our nation's more than 8,000 community banks are common-sense lenders that offer credit and debit cards on fair terms as a means of providing valuable services to their customers. The recently enacted Credit CARD Act and its effective dates are already placing substantial burdens on the 74 percent of community banks that offer credit card programs as they change systems, train employees and implement procedures to comply with the new rules.

Moreover, most of the cannot be completed until the Federal Reserve finalizes the implementing regulation. On September 29, 2009, the Federal Reserve released proposed revisions to Regulation Z (Truth in Lending Act) in order to implement provisions of the Credit Card Accountability, Responsibility and Disclosure Act of 2009 that are effective on February 22, 2010. Additionally, the 841-page proposal republishes portions of the final rules amending Regulation Z's provisions regarding open-end credit published in the *Federal Register* on

¹ The Independent Community Bankers of America, the nation's voice for community banks, represents 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve.

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold \$1 trillion in assets, \$800 billion in deposits, and \$700 billion in loans to consumers, small businesses and the agricultural community.

January 29, 2009 and several proposed amendments to the January 2009 Regulation Z Rule that were originally published in the *Federal Register* on May 5, 2009.

Speeding up the compliance date from February and August 2010 to Dec. 1, 2009 will harm America's Main Street community banks, which never engaged in the misleading practices targeted by the bill. It will be virtually impossible for most community banks to comply in time with the expedited date due to their limited compliance resources. As a result, many community banks may decide they must discontinue offering these products to their customers, which will likely result in the consolidation of the credit card industry into the hands of a few large financial institutions that can absorb the compliance burden.

ICBA urges Congress not to change the effective dates for community banks, so that they can continue working to comply with the requirements by the original dates. Community banks remain the backbone of our national and local economies. During this time of economic crisis, reputable community banks should not be asked to endure further burdensome regulations that divert attention away from their key purpose—to lend to their customers and keep money flowing where it is needed—in communities throughout Main Street America.

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