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*President and CEO*

November 21, 2017

The Honorable Joe Donnelly  
United States Senate  
Washington, D.C. 20510

The Honorable Dean Heller  
United States Senate  
Washington, D.C. 20510

Dear Senators Donnelly and Heller:

On behalf of the more than 5,700 community banks represented by ICBA, I write to thank you for introducing the Community Lender Exam Act (S. 2116). We appreciate your efforts to advance a key reform outlined in ICBA's Plan for Prosperity regulatory relief platform.

S. 2116 would allow a highly rated community bank with assets of less than \$3 billion to use an 18-month exam cycle. Under current statute and agency guidance, banks with assets of less than \$1 billion and a CAMELS rating of 1 or 2 are eligible for an 18-month exam cycle. All other banks are subject to a 12-month exam cycle. Preparations for bank exams, and the exams themselves, distract bank management from serving their communities to their full potential. For this reason, ICBA continues to also support a 24-month exam cycle for highly rated community banks with up to \$5 billion in assets. Because examiners have more than sufficient information to monitor a community bank from offsite, we believe that this change would not compromise supervision, and would actually increase safety and soundness by allowing examiners to focus their limited resources on the true sources of risk.

Thank you for introducing this important legislation.

Sincerely,

/s/

Camden R. Fine  
President & CEO

CC: Members of the Senate Banking Committee