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May 8, 2019

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of community banks across the country, with more than 52,000 locations, I write to thank you for scheduling today's markup. **ICBA urges all members of the Financial Services Committee to vote YES on the Corporate Transparency Act (H.R. 2513), sponsored by Representative Carolyn Maloney, and the Coordinating Oversight, Upgrading and Innovating Technology, and Examiner Reform Act (H.R. 2514), sponsored by Representative Emanuel Cleaver.**

H.R. 2513 would require corporations and limited liability companies to disclose their "beneficial owners" to the Financial Crimes Enforcement Network (FinCEN) at the time the company is formed. This requirement would create more transparency and thereby deter the abuse of anonymous legal entities for money laundering, corruption, fraud, terrorist financing and sanctions evasion. H.R. 2513 would further require FinCEN to modify its Customer Due Diligence Rule, which requires banks to collect information on the beneficial owners of legal entities that open accounts, to remove any redundancies with the new requirement.

ICBA strongly supports H.R. 2513 because FinCEN collection of beneficial owner information, as opposed to its collection by banks, would provide uniformity and consistency across the United States. Making the formation of an entity contingent on receiving beneficial owner information more directly would create a strong incentive for equity owners and investors to provide such information. ICBA thanks Representative Maloney for introducing this important legislation.

H.R. 2514 would make numerous changes to the Bank Secrecy Act. Among the provisions of this bill that ICBA supports are, first, the creation of a much-needed feedback loop between law enforcement and the banks that invest significant resources in BSA compliance. Identification of "typologies" will help banks better direct their resources and result in more efficient and effective collection of information for both banks and law enforcement.

*The Nation's Voice for Community Banks.®*

WASHINGTON, DC  
1615 L Street NW  
Suite 900  
Washington, DC 20036

SAUK CENTRE, MN  
518 Lincoln Road  
PO Box 267  
Sauk Centre, MN 56378

866-843-4222  
[www.icba.org](http://www.icba.org)

Second, H.R. 2514 recognizes the outdated currency transaction report (CTR) thresholds and would begin to address the filing of CTRs by indexing this threshold to inflation with adjustments made in five-year increments. While indexing this threshold to inflation is a welcome first step, ICBA believes immediate and more robust relief is needed. CTR filings are a primary source of community bank compliance burden and expense, diverting resources that could be better directed toward community lending. The CTR threshold of \$10,000 was set in 1970 and has not been changed.

ICBA continues to call for a CTR threshold of \$30,000, significantly less than the threshold would be if it had kept pace with inflation, and a suspicious activity report (SAR) threshold of \$10,000.

ICBA wishes to recognize and thank Representative Barry Loudermilk for his legislation, the Financial Reporting Modernization Act (H.R. 388), which would raise the CTR and SAR thresholds to \$30,000 and \$10,000. We look forward to working with this committee to advance H.R. 388 this Congress.

Thank you again for marking up these important bills. This legislation is critical to community banks and their ability to best serve their customers and communities.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the House Committee on Financial Services