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May 14, 2019

The Honorable Scott Tipton
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Tipton:

On behalf of community banks across the country, with more than 52,000 locations, I write to express our support for the TAILOR Act of 2019 (H.R. 741). Your bill would promote tiered regulation of the banking industry, which is critical to deterring further consolidation and preserving a competitive financial services industry for the benefit of consumers and communities.

A primary challenge facing community banks today is the burden of compliance with regulations intended for larger, more complex, and riskier banks. These regulations disproportionately burden community banks because they don't have dedicated legal and compliance departments and they have a smaller asset base over which to spread compliance costs. Tiered regulation would ensure that rules are calibrated to the size, risk profile, and complexity of a bank. S. 2155 of last Congress right-sized many regulations for community banks, but much work remains to be done to rationalize decades-worth of accumulated regulation.

H.R. 741 would promote tiered regulation by requiring the federal financial institutions regulatory agencies to tailor regulatory actions based on the risk profile and business model of affected institutions in order to limit the regulatory impact, including cost, human resource allocation, and other burdens. H.R. 741 will also help to temper and make workable unforeseen future regulations. In addition, the bill includes a seven-year look-back provision, which would sweep in some of the most burdensome regulations on the books, as well as measures to ensure agency accountability. Tailoring or tiering would ultimately benefit consumers by promoting a competitive financial services landscape and ensuring that community banks have flexibly to meet their credit needs.

Thank you for introducing H.R. 741. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

The Nation's Voice for Community Banks.®

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