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March 4, 2015

The Honorable Blaine Luetkemeyer
Chairman
Subcommittee on Housing and Insurance
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Luetkemeyer:

On behalf of the 6,500 community banks represented by ICBA, I write to thank you for sponsoring the Community Lending Enhancement and Regulatory Relief Act of 2015 (H.R. 1233), which advances priority provisions of ICBA's Plan for Prosperity. We are pleased to offer our strong support for your legislation.

The regulatory relief provisions of H.R. 1233 include:

- **Preservation of community bank mortgage lending:** H.R. 1233 would provide: "qualified mortgage" status for mortgages held in portfolio; an exemption from escrow requirements for community bank mortgages held in portfolio; an increase in the small servicer exemption threshold from 5,000 loans to 20,000 loans serviced annually; an exemption from independent appraisal requirements for higher-priced mortgages of \$250,000 or less held in portfolio; and delay and study of punitive new capital requirements for mortgage servicing assets under Basel III.
- **Reforming bank oversight and examination to better target risk:** Banks with a CAMELS rating of 1 or 2 would be eligible to file a short form call report in the first and third quarter of each year. A full length call report would be filed in the second and third quarters. Banks that meet these criteria would also be eligible for a 24 month examination cycle.
- **Supporting additional capital opportunities for small bank holding companies:** H.R. 1233 would raise the eligibility threshold for the Federal Reserve's Small Bank Holding Company Policy Statement from assets of \$1 billion or less to assets of \$5 billion or less.
- **Relief from redundant and confusing annual privacy notices:** H.R. 1233 would eliminate annual privacy notice mailings when a bank's privacy policies have not changed.

These provisions and others included in H.R. 1233 will provide meaningful regulatory relief to community banks allowing them to promote and support entrepreneurship, job creation, home ownership, and economic growth in their communities.

The Nation's Voice for Community Banks.®

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Thank you again for sponsoring H.R. 1233. We look forward to working with you to advance your legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the House Committee on Financial Services

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