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March 19, 2015

The Honorable Andy Barr
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Barr:

On behalf of the 6,400 community banks represented by the Independent Community Bankers of America, I write to express our support for the American Jobs and Community Revitalization Act of 2015 (H.R. 1389). We appreciate your efforts to advance needed community bank regulatory relief and many key reforms outlined in ICBA's Plan for Prosperity regulatory relief platform.

H.R. 1389 contains seven provisions that, individually and collectively, will provide significant regulatory relief for community banks, deter further consolidation, and directly benefit the customers and communities they serve. These provisions include:

- **Reform of the qualified mortgage (QM) rule to promote mortgage lending.** H.R. 1389 would provide automatic QM status to any mortgage loan held in portfolio, including balloon payment loans. It would also create a process for petitioning the CFPB for an area to be designated "rural" which improves the ability of mortgage lenders to serve that area.
- **Review of regulations.** H.R. 1389 would require the banking agencies to review existing rules when new rules are promulgated, reconcile any conflicts among them, and eliminate unnecessary rules. This process will ease compliance burden for community banks.
- **Extended exam cycle.** H.R. 1389 would allow a highly rated community bank with assets of less than \$1 billion to use an 18 month exam cycle. This change would allow examiners to focus their limited resources on the true sources of risk.
- **Streamlining currency transaction reporting.** H.R. 1389 would raise the threshold for filing Currency Transaction Reports from \$10,000 to \$20,000. The threshold has not changed since 1970. It would also create an exemption from reporting for transactions with "qualified customers."
- **FinCEN accountability.** H.R. 1389 would require the Financial Crimes Enforcement Network (FinCEN) to report annually on the use of data it collects through Suspicious Activity Reports.
- **Treatment of Subchapter S banks under Basel III.** H.R. 1389 would allow S corporation banks to make distributions for the payment of taxes by shareholders

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regardless of the restrictions of the Basel III capital conservation buffer. This change will allow S corporation banks to continue to raise capital to serve their communities.

Thank you for introducing this important legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the House Financial Services Committee

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