



INDEPENDENT COMMUNITY  
BANKERS of AMERICA®

March 24, 2015

The Honorable Jeb Hensarling  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

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

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*Immediate Past Chairman*

CAMDEN R. FINE  
President and CEO

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the more than 6,400 community banks represented by ICBA, I write to thank you for scheduling a markup for March 25 and to express our support for bills that would provide important reforms to the regulatory environment of community banks. We encourage all committee members to vote YES on the bills noted below:

**The Eliminate Privacy Notice Confusion Act (H.R. 601)**, sponsored by Rep. Blaine Luetkemeyer, would eliminate annual privacy notice mailings when a bank's privacy policies have not changed. Annual notices, when no change in policy has occurred, do not provide useful information to customers and are often a source of confusion to them. What's more, they represent an unproductive expense for community banks that could be better directed toward serving consumers.

**The Community Bank Mortgage Servicing Asset Capital Requirements Study Act (H.R. 1408)**, sponsored by Rep. Ed Perlmutter, would delay the effective date of the Basel III rule with respect to MSAs for nonsystemic banking institutions and require the banking agencies to conduct a joint study of the appropriate capital treatment of MSAs. Left unaddressed, the punitive new MSA capital provisions of Basel III will shift servicing to non-bank servicers which are not subject to prudential regulation – a risk highlighted by both the Financial Stability Oversight Council and Comptroller Thomas Curry.

**The Helping Expand Lending Practices in Rural Communities Act (H.R. 1259)**, sponsored by Rep. Andy Barr, would create a process in which individuals could petition the Consumer Financial Protection Bureau (CFPB) to have the rural status of a county reassessed. H.R. 1259 would help alleviate the negative impact of the CFPB's rural designation on community bank mortgage lending.

**The Bureau of Consumer Financial Protection Small Business Advisory Board Act (H.R. 1195)**, sponsored by Reps. Robert Pittenger and Dennis Heck. H.R. 1195 would create a Small Business Advisory Board at the CFPB and would codify the Community Bank Advisory Council and the Credit Union Advisory Council. The Small Business Advisory Board would help ensure that small businesses, which play a critical role in job creation, are accommodated in CFPB rulemakings. Codification of the Community Bank and Credit Union Advisory Councils would ensure the advisory councils enjoy equivalent status to the Small Business Advisory Council. The Community Bank Advisory Council is an invaluable forum for community bankers and CFPB officials to share information and perspectives on the practical impact of rulemakings.

**The Community Institution Mortgage Relief Act**, sponsored by Rep. Brad Sherman, would provide that any mortgage held in portfolio by a financial institution with assets of \$10 billion or less is exempt from escrow requirements. ICBA hopes to work with Rep. Sherman and the committee to address the rural lender limitation which remains in statute.

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Taken together, the bills noted above would provide significant regulatory relief for community banks to the benefit of the customers and communities they serve.

Thank you again for bringing these bills before the committee.

Sincerely,

/s/

Camden R. Fine  
President & CEO

CC: Members of the House Financial Services Committee

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