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*President and CEO*

July 14, 2015

The Honorable Gregory W. Meeks  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Peter T. King  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Carolyn B. Maloney  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Blaine Luetkemeyer  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representatives Meeks, King, Maloney, and Luetkemeyer:

On behalf of the more than 6,000 community banks represented by ICBA, I write to offer our support for the Community Bank Capital Clarification Act (H.R. 2987), which would make a non-controversial, bipartisan amendment to the grandfather provision of the so-called Collins Amendment of the Dodd-Frank Act.

The Collins Amendment provides that a bank with assets of more than \$15 billion may no longer treat the proceeds of Trust Preferred Securities (TruPS) as tier 1 capital. Community banks with assets of less than \$15 billion are grandfathered and may continue to treat the proceeds of TruPS as tier 1 capital, provided they were issued prior to May 19, 2010. This capital treatment is critical to the value of TruPS, as a bank's tier 1 capital defines the level of credit it may lend in its community. Unfortunately, the Collins Amendment uses an arbitrary date, December 31, 2009, to determine a bank's asset value and eligibility for the grandfather. What's more, a bank that drops below \$15 billion cannot become eligible for the grandfather; it's a one-time determination. This creates a competitive disadvantage for banks whose asset value has dropped below \$15 billion and is not the consistent with the purpose of the exception. Other provisions of Dodd-Frank, by contrast, use a "floating" asset threshold. This is appropriate, as the relevant consideration is the bank's *current* asset value, not its historical value on a specific, arbitrary date.

H.R. 2987 provides that when a community bank drops below \$15 billion in assets, it is treated as if it had less than \$15 billion in assets on December 31, 2009, but only for so long as it remains below \$15 billion. H.R. 2987 will allow for more equitable application of the grandfather provision of the Collins Amendment and allow community banks to deploy more credit to support community development and job creation.

Thank you for introducing H.R. 2987. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Camden R. Fine  
President & CEO

CC: Members of the House Financial Services Committee

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

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