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December 5, 2017

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Ryan and Democratic Leader Pelosi:

On behalf of the more than 5,700 community banks represented by ICBA, I write to thank you for scheduling floor consideration of the Community Institution Mortgage Relief Act (H.R. 3971), sponsored by Rep. Claudia Tenney. This pro-growth, community bank regulatory relief measure reflects a priority provision of ICBA's Plan for Prosperity. We strongly encourage all members of the House to vote YES on H.R. 3971 to support community banks and their customers.

H.R. 3971 would provide that mortgage loans held in portfolio by a financial institution with assets of \$25 billion or less are exempt from mandatory escrow requirements. Mandatory escrow requirements raise the cost of credit for those borrowers who can least afford it, and impose additional unnecessary compliance costs for community bank lenders. Portfolio lenders have every incentive to ensure that tax and insurance payments are made on a timely basis to protect the collateral of their loans.

H.R. 3971 would also increase the CFPB's small servicer exemption limit from 5,000 loans to 30,000 loans serviced annually. This provision would provide relief from new regulation that has approximately doubled the cost of servicing with a direct impact on the consumer cost of mortgage credit. Community banks above the 5,000-loan limit have a proven record of strong, personalized servicing and no record of abusive practices. To put the 30,000-loan limit in perspective, consider that the five largest servicers service an average portfolio of 6.8 million loans each and employ as many as 10,000 people each in their servicing departments.

Thank you again for bringing H.R. 3971 before the House. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the U.S. House of Representatives