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*President and CEO*

July 25, 2017

The Honorable Mike Rounds  
United States Senate  
Washington, D.C. 20510

The Honorable Heidi Heitkamp  
United States Senate  
Washington, D.C. 20510

Dear Senators Rounds and Heitkamp:

On behalf of the more than 5,800 community banks represented by ICBA, I write to thank you for introducing the Home Mortgage Disclosure Adjustment Act (S. 1310) which would exempt low volume community bank mortgage lenders from expansive and burdensome new mortgage application data collection and reporting requirements. Relief from reporting under the Home Mortgage Disclosure Act (HMDA) is a priority recommendation of ICBA's Plan for Prosperity regulatory reform agenda and will promote community bank mortgage lending and a competitive mortgage market.

In October 2015, the Consumer Financial Protection Bureau (CFPB) finalized a HMDA rule which will require covered banks and credit unions to collect and report 48 unique data points on each mortgage loan they make, more than double the number of data points covered lenders are currently required to collect. The proliferation of data points will amplify the number of inadvertent data entry errors and penalties, especially among institutions that upload data manually, including many community banks and small credit unions.

The new rule creates an additional exemption for small volume mortgage lenders that originate fewer than 25 closed-end mortgages and fewer than 100 open-end lines of credit in each of the two preceding years. This extremely low threshold will exempt a maximum of only 34,000 loans, according to a CFPB estimate, a minimal fraction of the nearly 10 million annual mortgage applications reported through HMDA last year. Institutions with assets of less than \$44 million (adjusted annually) and institutions with no offices in metropolitan statistical areas will also be exempt, as they are under prior law.

Under S. 1310, any depository institution that has originated 500 or fewer closed-end mortgages in each of the two preceding years would be exempt from new HMDA collection and reporting on closed-end mortgages. In addition, any depository institution that has originated 500 or fewer open-end lines of credit in each of the two preceding years would be exempt from new HMDA

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collection and reporting on closed-end loans. S. 1310 would provide critical relief for low volume mortgage lenders.

Thank you again for introducing S. 1310. We look forward to working with you to advance this important legislation into law.

Sincerely,

/s/

Camden R. Fine  
President & CEO

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