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President and CEO

September 6, 2017

The Honorable Claudia Tenney
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Tenney:

On behalf of the more than 5,800 community banks represented by ICBA, I write to thank you for introducing the Community Institution Mortgage Relief Act of 2017 (the Act), which will provide needed regulatory relief for mortgage loans held and serviced by community banks. ICBA is very pleased that your bill, which reflects provisions of ICBA's Plan for Prosperity, will be the subject of a hearing in the House Financial Services Subcommittee on Financial Institutions and Consumer Credit on September 7.

The Act would provide that mortgage loans held in portfolio by a financial institution with assets of \$50 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.

The Act 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 for introducing the Community Institution Mortgage Relief Act of 2017. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the House Committee on Financial Services

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