



R. SCOTT HEITKAMP
Chairman

TIMOTHY K. ZIMMERMAN
Chairman-Elect

PRESTON L. KENNEDY
Vice Chairman

DEREK B. WILLIAMS
Treasurer

CHRISTOPHER JORDAN
Secretary

REBECA ROMERO RAINEY
Immediate Past Chairman

CAMDEN R. FINE
President and CEO

September 12, 2017

The Honorable Mike Crapo
Chairman
Committee on Banking, Housing,
& Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing,
& Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the more than 5,800 community banks represented by ICBA, I write to request that you convene a full committee hearing at the earliest opportunity to examine evolving revelations of consumer abuse at Wells Fargo Bank. The shocking conduct of this megabank's management threatens to undermine the critical trust that American consumers must have in their financial institutions. Your committee could effectively force needed change at Wells Fargo, beginning with the removal of the bank's board which has failed in its most basic oversight duties.

It is imperative that we expose the whole truth of this sordid affair, hold management accountable, and contain any further damage. In particular, it would add insult to injury to allow the abusive practices of a megabank to stall momentum for community bank regulatory relief which will benefit thousands of communities and millions of customers. This relief should include prompt passage of H.J. Res. 111 to nullify the CFPB's rule barring the use of arbitration clauses by financial institutions. For many community banks, arbitration provides a critical dispute resolution tool that avoids costly and lengthy class action litigation and results in better outcomes for consumers.

There is a stark contrast between community banks on the one hand and megabanks and Wall Street firms on the other. A megabank's sprawling operation and transactions-based business model create incentives for consumer abuse. Community banks are built on a relationship model. Their incentive is to strengthen their reputation for fair dealing and build multi-generational relationships. Community bank customers must not be made to pay for the abusive practices of Wells Fargo or any other megabank or Wall Street firm.

What's needed at this point is legislation that promotes real competition in financial services and gives consumers more choices. We urge the passage of targeted, urgently-needed regulatory

The Nation's Voice for Community Banks.®

WASHINGTON, DC ■ SAUK CENTRE, MN ■ IRVINE, CA ■ TAMPA, FL ■ MEMPHIS, TN

1615 L Street NW, Suite 900, Washington, DC 20036-5623 | 800-422-8439 | FAX: 202-659-1413 | Email: info@icba.org | Website: www.icba.org

relief for community banks. Fix what's wrong with American financial services by strengthening what's right with it— community banks.

Thank you for your consideration.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the Senate Committee on Banking, Housing, & Urban Affairs

The Nation's Voice for Community Banks.[®]

WASHINGTON, DC ■ SAUK CENTRE, MN ■ IRVINE, CA ■ TAMPA, FL ■ MEMPHIS, TN

1615 L Street NW, Suite 900, Washington, DC 20036-5623 | 800-422-8439 | FAX: 202-659-1413 | Email: info@icba.org | Website: www.icba.org