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July 26, 2022

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

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Republican
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Re: Support for the Promoting New and Diverse Depository Institutions Act (H.R. 4590)

Dear Speaker Pelosi, Minority Leader McCarthy, Chairwoman Waters, and Ranking Member McHenry:

On behalf of community banks across the country, with nearly 50,000 locations, I write to thank you for scheduling floor consideration of the Promoting New and Diverse Depository Institutions Act (H.R. 4590), sponsored by Rep. Jake Auchincloss, and to express our support for this legislation. **ICBA urges all Members of the House to vote YES on H.R. 4590.**

The Promoting New and Diverse Depository Institutions Act requires the Federal banking regulators to conduct a joint study to assess the challenges faced by proposed depository institutions, including proposed minority depository institutions (MDIs), seeking de novo depository institution charters and to provide legislative recommendations to help these proposed institutions successfully obtain charters. There has been a dearth of de novo charters in the past decade. An infusion of new charters is needed to offset consolidation in the banking sector and create a competitive landscape that will benefit consumers and small businesses alike. Notably, new community bank charters, including new MDI charters, are needed to provide access to capital and banking services that play a pivotal role in reaching unbanked populations and underserved communities across the nation.

Concrete, actionable proposals are needed to turn the tide of stagnant de novo bank formation. ICBA supports an array of measures, such as phasing in capital standards for de novo banks over a period of three years and allowing for greater flexibility to modify the de novo business plan as conditions warrant. Start-up

The Nation's Voice for Community Banks.®

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capital is often the greatest impediment to forming a new bank, and these provisions, among others, would help spur the creation of de novo charters, including MDIs.

Thank you for your consideration. ICBA looks forward to working with you to advance H.R. 4590 into law.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

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

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