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November 2, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Patrick J. Toomey
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey:

On behalf of community banks across the country, with more than 50,000 locations, I write to thank you for convening today's hearing on "The LIBOR Transition: Protecting Consumers and Investors." In connection with this hearing, we wish to express our support for House legislation that protect community banks during the transition, the Adjustable Interest Rate (LIBOR) Act of 2021 (H.R. 4616), sponsored by Rep. Brad Sherman. H.R. 4616 passed the House Committee on Financial Services by voice vote on July 29, 2021.

H.R. 4616 would address the numerous contracts with language that did not contemplate a permanent cessation of LIBOR, by providing a replacement benchmark rate that would go into effect when LIBOR is discontinued. The replacement of LIBOR has the potential to cause severe market disruption and litigation due to the existence of contracts that provide for no or inadequate fallback benchmark rates, many of which community banks are a party to. This legislation will ensure that there is no impact on legacy contracts that already have adequate fallback language in place and is consistent with changes recently made to New York law. We hope that this legislation will be considered by the Senate Banking Committee.

Thank you for scheduling today's hearing. ICBA looks forward to working with you to advance H.R. 4616.

Sincerely,
/s/
Rebeca Romero Rainey
President & CEO

CC: Members of the Senate Committee on Banking

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