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July 15, 2022

The Honorable John Kennedy  
United States Senate  
Washington, D.C. 20510

Dear Senator Kennedy:

On behalf of community banks across the country, with nearly 50,000 locations, I write to express our strong support for the Transparency in CFPB Cost-Benefit Analysis Act (S. 4522). Your bill would ensure that Consumer Financial Protection Bureau (CFPB) rules are not overly burdensome, costly, and counterproductive by creating a rigorous cost-benefit analysis for each rule. ICBA thanks you and Senators Lummis, Scott, and Hagerty for introducing this important legislation.

The Dodd-Frank Act of 2010, which created the CFPB, requires only that the agency “consider” the costs and benefits of proposed rules. This is a loose and permissive standard to apply to rules that have a direct impact on the financial lives of American consumers, small businesses, and others. The agency should be required to rigorously justify its rules quantitatively and qualitatively.

Under S. 4522, the rulemaking analysis required by the CFPB would include:

- A quantitative and qualitative assessment of anticipated direct and indirect costs and benefits of the proposed rule.
- Whether the proposed rule is duplicative, inconsistent, or incompatible with other Federal regulations.
- An identification of reasonable alternatives and an analysis of their costs and benefits.
- Discussion of the assumptions as well as any studies and data used in analyzing costs and benefits.

The robust analysis required by S. 4522 would result in more reasoned, measured rulemaking with a direct benefit to the community banks, consumers, and small businesses they impact. S. 4522 would ease regulatory burden and strengthen the American economy.

Thank you again for introducing S. 4522. We look forward to working with you to advance it into law.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

*The Nation's Voice for Community Banks.®*

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