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July 5, 2016

Ms. Judith Dupre
Executive Secretary
Federal Financial Institutions Examination Council
Mailstop: 7081a
3501 Fairfax Dr.
Arlington, VA 22226

Re: Docket No. FFIEC-2016-0001, Uniform Interagency Consumer Compliance Rating System

Dear Ms. Dupre:

The Independent Community Bankers of America¹ appreciates the opportunity to provide comments to the Federal Financial Institutions Examination Council (FFIEC) on the proposed revisions (Proposal) to the Uniform Interagency Consumer Compliance Rating System (CC Ratings System). The FFIEC is proposing to revise the existing CC Rating System to better reflect current consumer compliance supervision and to more fully align the rating system with the FFIEC Agencies' current risk-based, tailored examination approaches.

¹ The Independent Community Bankers of America®, the nation's voice for more than 6,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

With 52,000 locations nationwide, community banks employ 700,000 Americans, hold \$3.6 trillion in assets, \$2.9 trillion in deposits, and \$2.4 trillion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

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Meeting regulatory requirements and preventing consumer harm are primary priorities for community banks. Community banks devote considerable resources to developing effective compliance management systems (CMS) and preparing for regulatory examinations. This investment is evidence of community banks' commitment to doing right by their customers.

ICBA Comments

ICBA acknowledges the need to update the CC Ratings System to reflect current standards and practices, but we are urging the FFIEC to take certain steps to quantify and reduce the burden for community banks to implement the new standards. These steps include conducting a thorough assessment of the implementation burdens the Proposal will entail and publishing the results as well as, developing – with public input – clear and comprehensive guidance on the factors that will be considered when ratings are assigned under the revised CC Ratings System. ICBA also supports extending the CC Ratings System to all entities under the CFPB's jurisdiction.

Analyze and Minimize Burden for Community Banks

Community banks continue to work through implementing and complying with an unprecedented number of new and amended consumer protection regulatory requirements put into effect over the past several years. These new rules have touched virtually every consumer product and service community banks offer with more change to come. The burden in complying with these rules is substantial.

The Proposal indicates the anticipated revisions to the CC Ratings System will represent no additional regulatory burden, however at a minimum, any new standards will require analysis and may entail updates to bank policies and procedures to ensure regulators' supervisory expectations are met. A recent survey² of community bankers conducted at ICBA's request found that a substantial majority of banks will analyze both the Proposal and final standards to understand the impact on their banks.

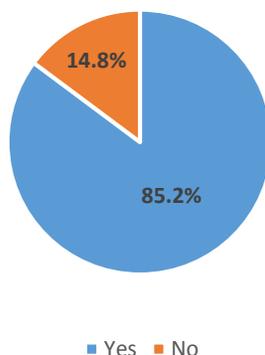
² Survey of 56 ICBA member banks conducted from June 15 to June 30, 2016, by Continuity (www.continuity.net). Continuity provides regulatory technology solutions for compliance management to financial institutions.

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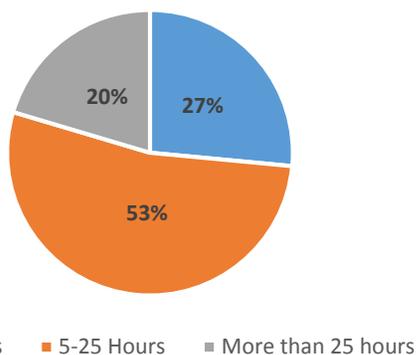
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Will your institution analyze the Proposal and any final requirements to understand how it must change its compliance management system to meet the new standards?



The survey also found that many banks will invest considerable effort in understanding how the Proposal will impact their institutions.

Estimate the number of hours you think this review will require.



Discounting the analysis and effort community banks and other financial service providers will make in meeting the supervisory expectations set forth in the Proposal is simply unfair. The public, industry, and policymakers require accurate information on regulatory burden to make informed decisions. ICBA strongly urges the FFIEC to conduct a thorough assessment of the burdens that implementing the Proposal will entail and to publish that information in the *Federal Register*.

ICBA is also concerned that the ratings scales in the Proposal offer no specific examples of what behavior or policies and procedures will earn a specific rating. Such subjectivity

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is problematic, and may lead to unequal application the CC Ratings Systems, especially as it will become the standard for several different regulators. ICBA's survey found that 100 percent of bankers surveyed indicated specific examples of what is required to meet the new standards would be useful. ICBA encourages the FFIEC and its member agencies to develop – with public input – clear and comprehensive guidance on the factors that will be considered when regulators assign ratings under the revised CC Ratings System.

Apply the Revised CC Rating System to all Providers of Consumer Financial Services and Products

ICBA has long argued that all providers of consumer financial services and products – regardless of charter type or business model – should be subject to meaningful supervision and examination. Gaps in regulatory coverage create conflicting standards that confuse and potentially harm consumers and create competitive disparities. ICBA strongly supports the CFPB's adoption of the revised CC Ratings System in its supervision and examination of providers of consumer financial services and products under its jurisdiction. Ensuring that all providers are held to the same standards in consumer compliance is an important aspect of consumer protection.

Conclusion

ICBA appreciates the opportunity to comment on these proposed revisions to the CC Ratings System. If you have any questions regarding this letter, please contact me at joseph.gormley@icba.org or 202.659.8111 with any questions regarding our comments.

Sincerely,

/s/

Joseph M. Gormley
Assistant Vice President and Regulatory Counsel

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