

## Background

The Community Lending Enhancement and Regulatory Relief Act (the CLEAR Relief Act, H.R. 2133) was introduced on May 2, 2017 by Senators Jerry Moran (R-KS) and Jon Tester (D-MT). Embodying key provisions of ICBA's Plan for Prosperity, the CLEAR Relief Act will promote local economic growth and job creation.

## Key Provisions of the CLEAR Relief Act

- **Preserving Community Bank Mortgage Lending:** S. 1002 would provide that any mortgage held in portfolio by a community bank with assets of less than \$10 billion is a "qualified mortgage" under the CFPB's ability-to-repay rules. When a community bank hold a loan in portfolio, it has a direct stake in the loan's performance and every incentive to ensure it is properly underwritten, affordable, and responsibly serviced.
- **Escrow Relief:** S. 1002 would exempt any mortgage held in portfolio by an institution with assets of \$10 billion or less from escrow requirements. Portfolio lenders have every incentive to protect their collateral by ensuring taxes and insurance are paid on a timely basis.
- **SOX 404(b) Relief:** S. 1002 would provide relief for community banks with assets of \$1 billion or less from redundant internal controls assessment mandates. Community bank internal control systems are monitored continually by bank examiners, and they should not have to pay expensive outside audit firms.
- **Risk Targeting the Volcker Rule:** S. 1002 would exempt banks with assets of \$10 billion or less from the Volcker Rule. Application of the rule to smaller community banks carries unintended consequences that threaten to destabilize segments of the banking industry.
- **TRID Waiting Period:** S. 1002 would create a waiver from the mandatory waiting period prior to closure under the TRID rule. Under the current rule, when a lender extends a second offer of credit with a lower interest rate, a mandatory waiting period is triggered. Borrowers should not have to wait to get a lower rate.

**PLEASE COSPONSOR THE CLEAR RELIEF ACT (S. 1002)**