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President and CEO

April 24, 2013

The Honorable Tim Griffin
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Griffin:

On behalf of the 7,000 community banks represented by ICBA, I write to thank you for offering H.R. 1693, which would create an exemption from the Basel III risk based capital rules and the standardized approach for banks with less than \$50 billion in assets. ICBA strongly supports H.R. 1693.

Basel III was meant to apply only to the largest, internationally-active institutions, not to community banks, with their simple capital structures and conservative lending. Applying the same capital standards to community banks, in addition to the many other new and far-reaching regulations that are soon becoming effective, will undermine the viability of thousands of community banks and drive mass consolidation. An economy dominated by a small number of very large banks offering commodity products would not provide the same level of competitive pricing and choice and would definitely not be in the best interest of consumers. Small towns and rural areas will face curtailed access to credit and economic stagnation. By exempting banks with less than \$50 billion in assets from Basel III and the standardized approach, H.R. 1693 will stave off this significant threat.

Thank you again for sponsoring H.R. 1693.

Sincerely,

/s/

Camden R. Fine