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President and CEO

March 20, 2015

The Honorable Jerry Moran
United States Senate
Washington, D.C. 20510

The Honorable Jon Tester
United States Senate
Washington, DC 20510

Dear Senators Moran and Tester:

On behalf of the 6,400 community banks represented by ICBA, I write to thank you for sponsoring the Community Lending Enhancement and Regulatory Relief Act of 2015 (the “CLEAR Act”), which advances several priority provisions of ICBA’s Plan for Prosperity. We are pleased to offer our strong support for these measures.

Regulatory relief provisions of S. 812 include:

- Providing 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;
- Exempting any mortgage held in portfolio by an institution with assets of \$10 billion or less from escrow requirements;
- Providing relief for community banks with assets of \$1 billion or less from redundant internal controls assessment mandates.

These provisions promote tiered regulation of the banking sector, providing calibrated regulatory relief appropriate for the size, lower-risk profile, and traditional business model of community banks. Community banks provide 60 percent of all small business loans under \$1 million, as well as customized mortgage and consumer loans suited to the unique characteristics of their local communities. They are serving a vital role in ensuring the economic recovery is robust and broad based, reaching communities of all sizes and in every region of the country. The meaningful regulatory relief provided by the Act will allow them to promote and support entrepreneurship, job creation, and economic growth in their communities.

Thank you again for sponsoring the CLEAR Act. We look forward to working with you to advance and enact these reforms and additional regulatory relief measures from the ICBA’s Plan for Prosperity platform.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Members of the Senate Banking Committee

The Nation’s Voice for Community Banks.®

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