



**INDEPENDENT COMMUNITY
BANKERS of AMERICA®**

May 29, 2015

The Honorable Janet L. Yellen
Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution
Washington, DC 20551

The Honorable Thomas J. Curry
Comptroller of the Currency
400 7th Street SW
Washington, DC 20219

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

The Honorable Mary Jo White
Chair
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

The Honorable Timothy G. Massad
Chairman
Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

Dear Chair Yellen, Chair White, Chairman Gruenberg, Comptroller Curry, and Chairman Massad:

Recently, it was announced that five of the world's biggest banks — JPMorgan Chase, Citigroup, Barclays, UBS and Royal Bank of Scotland —pleaded guilty to criminal charges that they acted in concert to manipulate international interest rates and foreign currency exchange. By changing, on a daily basis, global benchmarks used to set foreign exchange and interest rates, these banks over a period of several years bilked billions of dollars from unsuspecting companies, institutional investors, and in some cases, individuals by altering rates in their favor. Four of the banks—JP Morgan Chase, Citigroup, Royal Bank of Scotland and Barclays also pleaded guilty to felony antitrust violations.

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The Nation's Voice for Community Banks.®

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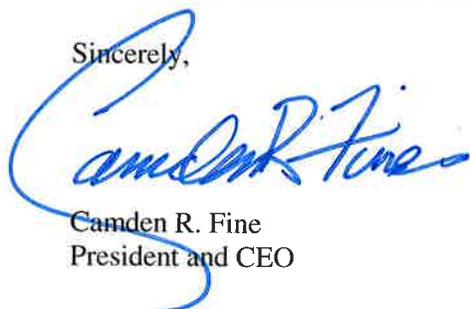
This is not the first time that these banks have had problems with the law. Both JP Morgan and Citibank have been held liable for mortgage securities fraud. JP Morgan has also been involved in “London Whale” trading, the Robo-Signing scandal, electricity market manipulation, and municipal bond trading fraud. For UBS, this was the third criminal settlement in six years.

It is our understanding that these banks will be seeking waivers from the banking agencies as well as the SEC and CFTC because of their criminal violations. For instance, Section 19 of the Federal Deposit Insurance Act prohibits, without the prior written consent of the FDIC, a person convicted of any criminal offense involving dishonesty or breach of trust or money laundering from becoming or continuing as an institution-affiliated party, owning or controlling, directly or indirectly an insured depository institution or otherwise participating, directly or indirectly, in the conduct of the affairs of the insured depository institution. There are similar prohibitions in the securities laws against persons or entities that have committed criminal violations from engaging in securities activities.

If these types of violations had occurred in a community bank, at a minimum, the regulators would have insisted that senior management resign as well as some or all of the board of directors. In more severe cases, the bank would have been forced to sell or would have been put into receivership by its primary regulator if the offense precipitated a significant decline in capital or liquidity. In other words, enforcement decisions by the regulators are subject to a double standard. If a community bank or a director of a community bank commits a crime, the bank or director is likely to lose everything including in the case of the director, his career as a banker and his investment in the bank. However, if a large bank commits a crime and even if the bank has been subject to multiple violations of the law, all the bank receives is a fine and a slap on the wrist. There are no changes in the management or the board, and the bank continues functioning as if nothing has happened.

ICBA demands that the regulators adopt a consistent enforcement policy that treats community banks and the large banks alike in situations such as these. There should not be one set of enforcement procedures for the large banks and another for the rest of the industry. No bank should be too big to fail nor too big to jail. We urge the regulators to follow a consistent and fair enforcement policy as they consider the applications of JPMorgan Chase, Citigroup, Barclays, UBS and Royal Bank of Scotland to waive the enforcement of U.S. banking law and securities laws because of their criminal violations.

Sincerely,



Camden R. Fine
President and CEO

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