



SALVATORE MARRANCA
Chairman
JEFFREY L. GERHART
Chairman-Elect
WILLIAM A. LOVING, JR.
Vice Chairman
JACK A. HARTINGS
Treasurer
STEVEN R. GARDNER
Secretary
JAMES D. MACPHEE
Immediate Past Chairman
CAMDEN R. FINE
President and CEO

July 20, 2011

The Honorable John A. Boehner
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner and Democratic Leader Pelosi:

On behalf of ICBA's nearly 5,000 community bank members, I write to express strong support for the Consumer Financial Protection Safety and Soundness Improvement Act (H.R. 1315) scheduled for debate in the House of Representatives this week. This legislation is to be a combination of three ICBA-backed bills:

- H.R. 1121, the Responsible Consumer Financial Protection Regulations Act of 2011, sponsored by Rep. Spencer Bachus;
- H.R. 1315, the Consumer Financial Protection Safety and Soundness Improvement Act, sponsored by Rep. Sean Duffy; and
- H.R. 1667, the Bureau of Consumer Financial Protection Transfer Clarification Act, sponsored by Rep. Capito.

Combined under H.R. 1315, this legislation is needed to improve the new Consumer Financial Protection Bureau (CFPB) structure so that it is governed by a five member commission rather than a single director. The new CFPB will have far-reaching discretion in writing rules for all banks, including those exempt from primary CFPB examination, as well as non-bank financial services providers. Commission governance would allow for a variety of views and expertise on issues before the CFPB and thus build in a system of checks and balances that would be absent in a single director form of governance. It would help ensure the actions of the CFPB are measured and non-partisan and would result in balanced, high-quality rules and effective consumer protection.

The legislation would also strengthen prudential regulatory review of CFPB rules by reforming the voting requirement for an FSOC veto from a 2/3rd vote to a simple majority, excluding the CFPB Director, and change the standard to allow for a veto of a rule that "is inconsistent with the safe and sound operations of United States financial institutions."

Additionally, the bill would postpone transfer of functions to the CFPB until its Director is confirmed. The CFPB's impact on the financial sector, consumers, and the economy should be matched by the highest standard of accountability. Ultimately, accountability for the actions of the CFPB resides with its Director, appointed by the President and confirmed by the Senate. This basic mechanism of good governance would be undermined if the CFPB were to be operative before its Director is confirmed by the Senate.

ICBA was pleased to testify in support of these reforms at an April hearing in the Financial Services Committee and supports H.R. 1315 as a combination of these specific reforms. As such, H.R. 1315 would strengthen the accountability of the CFPB, better protect the safety and soundness of the financial system, and provide reasonable measures to insulate community banks from additional regulatory burden.

Thank you for your consideration.

Sincerely,

/s/

Camden R. Fine
President and CEO

cc: The Hon. Spencer T. Bachus, Chairman, House Committee on Financial Services
The Hon. Barney Frank, Ranking Member, House Committee on Financial Services