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President and CEO

April 28, 2014

United States House of Representatives
Washington, D.C. 20515

Dear Member of Congress:

On behalf of the more than 6,500 community banks represented by ICBA, I write to express our support for the Restoring Proven Financing for American Employers Act (H.R. 4167), which will be considered on the House floor this week. Introduced by Rep. Andy Barr, H.R. 4167 will allow community banks to retain debt securities of collateralized loan obligations (CLO) issued before January 31, 2014. The Financial Services Committee reported H.R. 4167 by a nearly unanimous vote in March.

As you may know, the final Volcker Rule implementing a provision of the Dodd-Frank Act, issued December 10, requires banks, including community banks, to divest their holdings of CLOs by July 2015. Though the compliance date was later extended, this requirement could cause a significant, immediate and permanent loss of capital for community banks that hold these securities and are still recovering from the financial crisis. H.R. 4167 would avert this damaging and unanticipated outcome by repealing the divestment requirement for CLOs issued before January 31.

ICBA urges you to support H.R. 4167. Thank you for your consideration.

Sincerely,

/s/

Camden R. Fine
President & CEO

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1615 L Street NW, Suite 900, Washington, DC 20036-5623 | 800-422-8439 | FAX: 202-659-1413 | Email: info@icba.org | Website: www.icba.org