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*President and CEO*

March 11, 2014

The Honorable Jeb Hensarling  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the nearly 7,000 community banks represented by ICBA, I write to express our support for the CFPB Rural Designation Petition and Correction Act (H.R. 2672), introduced by Rep. Andy Barr. H.R. 2672 would create a process in which individuals could petition the Consumer Financial Protection Bureau (CFPB) to have the rural status of a county reassessed.

The CFPB's annual designation of "rural" counties is used to administer a number of mortgage rules, including the ability-to-repay rule's restriction on qualified mortgage (QM) balloon loans, which are protected from heightened legal risk. In addition, the rural designation applies to rules relating to escrow requirements for higher-priced mortgage loans, as well as the second appraisal requirement for certain higher-priced mortgage loans. ICBA continues to express serious concerns with the CFPB's rural designation and its negative impact on community bank mortgage lending. The petition process created by H.R. 2672 would allow for a broader range of evaluation criteria, more accurately identify rural counties, and help ensure continued access to mortgage credit in those communities.

Thank you again for marking up H.R. 2672. We look forward to working with you to advance your legislation after it emerges from committee.

Sincerely,

/s/

Camden R. Fine  
President & CEO

CC: Members of the House Financial Services Committee

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