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President and CEO

June 21, 2017

The Honorable Thomas E. Emmer
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Emmer:

On behalf of the more than 5,800 community banks represented by ICBA, I write to thank you for introducing the Home Mortgage Disclosure Adjustment Act (H.R. 2954) which would exempt low volume community bank mortgage lenders from expansive and burdensome new mortgage application data collection and reporting requirements. Relief from reporting under the Home Mortgage Disclosure Act (HMDA) is a priority recommendation of ICBA's Plan for Prosperity regulatory reform agenda and will promote community bank mortgage lending and a competitive mortgage market.

In October 2015, the Consumer Financial Protection Bureau (CFPB) finalized a HMDA rule which will require covered banks and credit unions to collect and report 48 unique data points on each mortgage loan they make, more than double the number of data points covered lenders are currently required to collect. The proliferation of data points will amplify the number of inadvertent data entry errors and penalties, especially among institutions that upload data manually, including many community banks and small credit unions.

The new rule creates an additional exemption for small volume mortgage lenders that originate fewer than 25 closed-end mortgages and fewer than 100 open-end lines of credit in each of the two preceding years. This extremely low threshold will exempt a maximum of only 34,000 loans, according to a CFPB estimate, a minimal fraction of the nearly 10 million annual mortgage applications reported through HMDA last year. Institutions with assets of less than \$44 million (adjusted annually) and institutions with no offices in metropolitan statistical areas will also be exempt, as they are under prior law.

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Under H.R. 2954, any depository institution that has originated 1,000 or fewer closed-end mortgages in each of the two preceding years would be exempt from HMDA collection and reporting on closed-end mortgages. In addition, any depository institution that has originated 2,000 or fewer open-end lines of credit in each of the two preceding years would be exempt from HMDA collection and reporting on closed-end loans. H.R. 2954 would also repeal authority created by the Dodd-Frank Act for the collection of additional data points. H.R. 2954 would provide critical relief for low volume mortgage lenders without materially impacting the mortgage data available to the CFPB or impairing the purpose of the HMDA statute.

Thank you again for introducing H.R. 2954. We look forward to working with you to advance this important legislation into law.

Sincerely,

/s/

Camden R. Fine
President & CEO

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