

ICBA Plan for Prosperity

Key Regulatory Relief Provisions

Base III

- Exemption from the capital conservation buffer
- Full capital treatment for LLR up to 1.25%, remainder in Tier II
- 100% risk weighting for acquisition and development loans not 150%
- Reverse punitive treatment of mortgage servicing rights and allow 100% of value in capital

Federal Reserve policy statement on debt revised to allow bank HC's up to \$10 billion to issue debt under less stringent standards

SEC Rules

- Exemption from internal control audit requirements for banks under \$350mm in capital
- Reg D change for accredited investors to \$1mm including real estate

Repeal Collins Amendment in Dodd Frank to allow for simpler capital rules for community banks

Minority bank capital options

CFPB

- Allow CFPB to craft less stringent requirements for community banks
- Add a board of at least five members
- Financial Stability Council should be able to veto with simple majority not 66%
- National Charter for mutual banks
- Cost benefit on any new rules

Modernizing the BSA – move threshold to \$30,000 from \$10,000

Reduce data collection requirements on small business lending

Repeal Dept. of Labor rule on investment advice

Mortgage Lending

- Loans held in portfolio including balloon mortgages should be granted QM treatment along with any loan transferred to Fannie and Freddie or a FHLB is granted QM status
- HMDA relief – Data collection fields have now just more than doubled – move back to prior rules
- Move threshold for reporting to 1000 closed end loans and 2000 open end loans
- Escrow relief for banks under \$50 billion

- Appraisals – portfolio loans should allow for a property evaluation
- Move servicing threshold for small servicers to 30,000 from 5000
- Reform closing process – TRID reform

Regulatory relief

- Banks need a place to appeal regulatory rulings outside of the regulators who make the ruling
- Two year exam cycle for well rated banks
- No stress test for non SIFI
- Short form call report
- Banks under \$50 billion exempt from exam by the CFPB

Tax Relief

- Corporate tax rate of 15% - fairer against tax exempt CU's
- Tax credits for loans made to low/moderate income borrowers and agricultural communities
- Change Sub S rules move from 100 to 200, allow preferred shares and allow Sub S shares to be held in IRA's
- Allow new banks to form as LLC's
- Repeal estate tax which can force the sale of a bank