

September 19, 2017

The Honorable Shelley Moore Capito  
Chairman  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

The Honorable Christopher Coons  
Ranking Member  
Subcommittee on Financial Services  
and General Government  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Chairman Capito and Ranking Member Coons:

On behalf of the thousands of banks represented by the Independent Community Bankers of America and the American Bankers Association, we write to request that you reject language included in the House Financial Services and General Government Appropriations (FSGG) Act for FY 2018 that would potentially destabilize bank supervision fees and thereby reduce resources available to serve American consumers and communities.

As you know, on September 14th the House passed H.R. 3354, a package of 12 appropriations measures for FY 2018, including FSGG. While provisions of that bill would provide much needed regulatory relief, Sections 904 and 908 would bring the Federal Deposit Insurance Corporation (FDIC) and the non-monetary functions of the Federal Reserve under the appropriations process. We are concerned that this change in the funding of bank supervision would potentially disrupt the currently stable and predictable supervisory fees that banks expect to pay and have incorporated into their business planning. This radical change would also carry the very real possibility of new fees and fee increases while bankers are bearing a sharp increase in regulatory compliance costs. The cumulative impact of these expenses will strain bankers' ability to support economic growth and job creation.

In addition, we are concerned that Sections 904 and 908 would require the agencies to disentangle their independent funding streams (the Federal Reserve's earnings and the FDIC's premium revenues) to attribute some portion of them to cost of supervision, which would be subject to additional appropriations. This exercise would be difficult, imperfect, and create unnecessary complexity.

As you advance an FSGG bill for FY 2018, we urge you to reject Sections 904 and 908 of H.R. 3354.

Thank you for your consideration.

Sincerely,

Handwritten signature of Camden R. Fine in black ink.

Camden R. Fine  
President and CEO  
Independent Community Bankers of America

Handwritten signature of Rob Nichols in black ink.

Rob Nichols  
President and CEO  
American Bankers Association

CC: Members of the Senate Appropriations Subcommittee on Financial Services & General Government  
Members of the Senate Banking Committee