

February 13, 2018

The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Ryan and Minority Leader Pelosi:

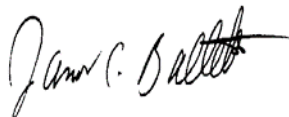
On behalf of the members of the American Bankers Association, I write to express our support for H.R. 3299, the Protecting Consumers' Access to Credit Act introduced by Representatives Patrick McHenry and Greg Meeks, which is scheduled for consideration before the House this week.

H.R. 3299 would codify the "valid-when-made" doctrine, a longstanding legal principle, that if a loan is valid when it is made with respect to its interest rate, then it does not become invalid or unenforceable when assigned to another party. This common law principle has been a cornerstone of U.S. banking law for over 100 years. It provides critical legal certainty necessary for the effective and efficient functioning of the credit markets, thereby benefiting both individuals and small businesses.

This doctrine was recently indirectly undermined by the Second Circuit's decision in *Madden v. Midland Funding, LLC*. By calling into question the "valid-when-made" doctrine, the decision has injected uncertainty into the secondary markets for consumer and commercial credit, resulting in increased costs and decreased competition. Banks depend on the ability to sell or assign the loans they originate to provide liquidity to support their lending operations and to foster their safety and soundness.

We applaud Reps. McHenry and Meeks for introducing H.R. 3299 and urge the House to pass this bipartisan legislation.

Sincerely,



James C. Ballentine

cc: Members of the U.S. House of Representatives