

Date: January 17, 2018

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

From: James Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: ABA Supports H.R. 2954, the Home Mortgage Disclosure Adjustments Act

On behalf of the members of the American Bankers Association (ABA), I am writing to express our support for passage of H.R. 2954, the Home Mortgage Disclosure Adjustments Act slated for consideration on the House floor this week.

This legislation, introduced by Representative Tom Emmer, would provide community banks with relief from compliance burdens that are ill-suited and unnecessary for community banks. Specifically, the bill exempts small banks and credit unions from new reporting requirements of the Home Mortgage Disclosure Act (HMDA) if they are lenders that have originated 500 or fewer closed-end mortgages in each of the two preceding calendar years or are lenders that have originated 500 or fewer open-end lines of credit (such as a typical home equity loan) in each of the two preceding calendar years.

The pending HMDA changes were imposed after the financial crisis. Although well-intentioned, the new reporting requirements were overly board in their coverage and have the potential to add significant cost and regulatory burden, as well as privacy concerns for customers, to small institutions which have an excellent track record of fairly and honestly serving their customers' needs.

So great is the cost of compliance with these new regulations that many smaller banks may be forced to reconsider their ability to continue to make mortgage and other covered loans. The ABA applauds Rep. Emmer for introducing this legislation and shepherding its passage in the House Financial Services Committee.

We urge the House to pass H.R. 2954 that will provide needed relief and keep more lending options available in the markets that our banks serve.