

November 12, 2013

To: Members of the Committee on Financial Services

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

Re: Support for H.R. 3329

On behalf of the members of the American Bankers Association (ABA), I am writing to express our support for H.R. 3329, legislation introduced by Representative Blaine Luetkemeyer (R-MO). This bipartisan legislation, scheduled for markup in the House Financial Services Committee on November 14, would provide much needed regulatory relief for hundreds of community banks and thrifts by increasing the Federal Reserve's Small Bank Holding Company (BHC) threshold.

Under H.R. 3329, the BHC threshold would be increased from \$500 million to \$1 billion. By doing so, more banks and thrifts will qualify for coverage under the BHC and will be exempt from certain capital and regulatory guidelines that do not provide materially more safety and soundness protection in the context of these community banks.

This legislation accomplishes a major goal. It facilitates the ability of community banks and thrifts to issue debt and raise capital and thus increase their involvement in promoting the growth of their local economies. This is extremely important as regulators have proposed through other regulations to increase capital requirements significantly for both community banks and larger institutions in the coming years.

ABA has supported similar legislation (H.R. 1750), which would have raised the threshold to \$5 billion. We remain supportive of that higher threshold and would encourage the Committee to reevaluate this issue in the future.

We appreciate the leadership of Rep. Luetkemeyer on this issue and would encourage the Committee to help community banks and thrifts by supporting H.R. 3329.