



## Bi-partisan Support for the CLEAR Act Grows!

December 5, 2013

Bi-partisan support is growing for the Community Lending Enhancement and Regulatory Relief Act (CLEAR Relief Act of 2013, H.R. 1750) with Illinois Congressman Bill Enyart (D-13th), Aaron Schock (R-18th), and Bobby Rush (D-1<sup>st</sup>) recently cosponsoring this important legislation. Currently there are 89 cosponsors including Illinois Congressmen Rodney Davis (R-13th) and Mike Quigley (D-5th).

Community banks face a regulatory burden that is completely out of proportion to their size, business model, and risks they pose to the financial system. Regulations disproportionately burden community banks because they cannot spread these costs over a large number of customers. Targeted and sensible regulatory relief will allow community banks to better serve their customers and communities.

This CLEAR Act included the following important provisions.

- Provides “qualified mortgage” (QM) status under the CFPB’s ability-to-repay rules for any mortgage originated and held in portfolio for at least three years by a lender with less than \$10 billion in assets.
- Exempts from any escrow requirements any first lien mortgage held by a lender with less than \$10 billion in assets.
- Exempts servicers that service 20,000 or fewer mortgages from certain new servicing rules.
- Provides an exemption from the independent appraisal requirement for mortgages of less than \$250,000.
- Provides that a financial institution is not required to provide an annual privacy notice to its customers if it has not changed its privacy policies.
- Exempts community banks with assets of less than \$10 billion from the



*Rodney Davis*



*Mike Quigley*



*Bill Enyart*



*Aaron Schock*



*Bobby Rush*

Sarbanes-Oxley 404(b) internal-controls assessment mandates. The exemption threshold would be adjusted annually to account for any growth in banking assets.

- Requires the SEC to conduct a cost-benefit analysis of new or amended accounting principles.
- Requires the Federal Reserve to revise the Small Bank Holding Company Policy Statement by increasing the qualifying asset threshold from \$500 million to \$5 billion.

CBAI would like to thank Congressmen Davis, Quigley, Enyart, Schock, and Rush for their support of Illinois community banks.