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FOR IMMEDIATE RELEASE

ICBA Applauds CFPB for Proposing ICBA-Advocated Changes to Qualified Mortgage Rules

CFPB Mortgage Reforms Help Mitigate Impact of Rules on Consumer Access to Credit

Washington, D.C. (Jan. 29, 2015)—The Independent Community Bankers of America® (ICBA) today applauded the Consumer Financial Protection Bureau (CFPB) for proposing ICBA-advocated changes to its regulations on residential mortgage loans. The changes, which follow this week's release of ICBA's 2014 Community Bank Lending Survey, will allow community banks greater flexibility under Qualified Mortgage rules to meet the mortgage credit needs of their customers.

"ICBA applauds the CFPB for responding to the nation's community bankers, their customers and their communities who have been hamstrung by tight rules, which inhibited needed access to home financing across the country," said ICBA Chairman John Buhrmaster, president and CEO of 1st National Bank of Scotia, N.Y. "The CFPB's proposed changes to its Qualified Mortgage rules will help ensure community banks can continue to actively and responsively make mortgage loans to their customers. ICBA and community banks are truly appreciative of today's announcement."

The CFPB's proposed revisions to its mortgage rules include:

- **Expanding Small Creditor Definition:** The CFPB currently deems portfolio loans made by "small creditors" to be qualified mortgages. Small creditors are defined as those with less than $2 billion in assets that originate fewer than 500 first-lien mortgages per calendar year. The CFPB today proposed to increase the loan origination limit for small creditors to 2,000 loans per year, excluding loans held in portfolio. This expanded exception will ease compliance burdens for many more community banks so that they can continue to provide mortgage loans in their communities.

- **Expanding Community Banks' Ability to Meet Mortgage Needs of Rural Customers:** The CFPB also proposed to expand the definition of "rural" to include not only certain rural counties, but any census blocks that are not in an urban area as defined by the Census Bureau. This change will enable more community banks operating in rural areas to meet the unique mortgage needs of rural homeowners by deeming portfolio balloon mortgage loans they make to be qualified mortgages.

The changes follow this week's release of ICBA's 2014 Community Bank Lending Survey, which found that three-quarters of community bank respondents said new mortgage regulations are keeping them from making more residential mortgage loans in their communities. ICBA will continue advocating its Plan for Prosperity legislative platform for the 114th Congress, which includes several provisions that would align federal mortgage regulations with the community bank business model.

About ICBA
The Independent Community Bankers of America®, the nation's voice for more than 6,500 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.