March 27, 2012

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, N.W.
Washington, D.C. 20552

Regarding: Consumer Financial Protection Bureau, Confidential Treatment of Privileged Information, Docket No. CFPB-2012-0010 and RIN: 3170-AA20

Dear Ms. Jackson:

The Community Bankers Association of Illinois, which proudly represents 400 Illinois community banks, is pleased to comment on the Consumer Financial Protection Bureau's (CFPB or Bureau) proposed rule (Rule) regarding the confidential treatment of privileged information obtained from persons in connection with its exercise of authority under Federal consumer financial law. The CBAI applauds the CFPB for taking the initiative under its authority granted by Congress to support the confidential treatment of this information.

Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) established the Bureau on July 12, 2011. The Bureau received the exclusive authority from the prudential regulators to write laws and rules, and to regulate, supervise, and enforce (among others) insured depository institutions and credit unions with total assets of more than $10 billion. Throughout the Rule these supervised institutions are referred to as "supervised entities".

While community banks (under $10 billion in assets) are supervised by their prudential regulators for consumer compliance, the CFPB still retains a role and has broad authority in regulating community banks. Community banks are subject to the same consumer laws, rules and regulations promulgated

by the Bureau for "supervised entities". The CFPB can require community banks to provide reports, they can participate in regulatory examinations on a "ride along" basis, and can make referrals to the banks' primary regulator regarding enforcement actions.

In these various interactions with community banks the Bureau may directly or indirectly obtain confidential information which may not be afforded the same protection as information provided by "supervised entities" because the Rule does not specifically state that information obtained from community banks will be protected. In fact just the opposite is true. The Rule sates, in section III Legal Authority (B), the proposed Rule has no unique impact on insured depository institutions or insured credit unions with less than $10,000,000.00 in assets. We believe the lack of a clear statement protecting community banks could unintentionally harm them.

The following recommendation eliminates any confusion or ambiguity and makes it clear that all confidential privileged information provided to the Bureau, from "supervised entities" and community banks, remains confidential and be covered by the protections proposed in the Rule. **We respectfully recommend the Rule specifically state that any information provided by community banks, either directly to the Bureau or indirectly through a community banks' prudential regulators, Federal or State agencies, or from any other source, will not waive or otherwise affect any privilege(s) with respect to such information under Federal or State law, whether the privilege(s) belongs to the Bureau or to any other person.**

Thank you very much for considering our views on this important matter. Please contact me with questions or comments at either 847-909-8341 or davids@cbai.com.

Sincerely,

/s/

David G. Schroeder
Vice President Federal Governmental Relations

Community Bankers Association of Illinois
901 Community Drive
Springfield, Illinois 62703
(800) 736-2224