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U.S. House Passes the Financial CHOICE Act

The Community Bankers Association of Illinois (CBAI) congratulates House Financial Services Committee Chairman Jeb Hensarling (R-Tx) on the passage of the [Financial CHOICE Act \(H.R. 10\)](#). CBAI was pleased that the passage of the CHOICE Act advances much needed and well deserved community bank regulatory relief, much of which CBAI has previously endorsed including many provisions from the Independent Community Bankers of America's (ICBA) *Plan for Prosperity*.

CBAI strongly supported Title V of the CHOICE Act titled "Regulatory Relief for Main Street and Community Financial Institutions" which includes:

- Repealing new and unnecessary CFPB data collection and reporting requirements for small business loan applications;
- Setting higher exemption thresholds for the Home Mortgage Disclosure Act (HMDA);
- Establishing automatic "qualified mortgage" (QM) status for loans held in portfolio and escrow relief for community bank mortgages held in portfolio;
- Providing for short form call reports which have grown exponentially in recent years;
- Advancing greater cost-benefit analysis for proposed and existing regulations;
- Creating greater accountability in the bank exam environment;
- Addressing the costly and duplicative SOX 404(b) internal controls;
- Increasing the asset threshold for the Federal Reserve's Small Bank Holding Company Policy Statement; and
- Allowing federal savings associations the charter flexibility to more effectively serve their customers.

These provisions, together with other select provisions in the CHOICE Act, will help foster a more sensible and proportionate financial regulatory system that will facilitate economic growth and job creation.

CBAI has consistently been concerned about the dangers of too-big-to-fail and is particularly concerned with the provision in the Act that would eliminate the 10% deposit/liability cap for the nation's largest banks. CBAI is hopeful that these concerns will be resolved as regulatory relief moves through the Congress.

The Senate will be developing and advancing separate regulatory relief legislation, including the CBAI-supported CLEAR Relief Act. CBAI looks forward to continuing to work with Illinois Congressional Delegation and the ICBA to enact meaningful community bank regulatory relief and completely and successfully address the issue of too-big-to-fail.