



Community Bankers Association of Illinois
Department of Governmental Relations

Federal Update – 11/20/2009

HOUSE COMMITTEE APPROVES IMPORTANT AMENDMENTS

Community Bankers Praised for Grassroots Lobbying Efforts

The House Financial Services Committee yesterday approved crucial amendments to the Financial Stability Improvement Act (H.R. 3996) to 1) require the FDIC to base assessments on total assets less tangible capital rather than domestic deposits, and 2) institute a \$200 billion prefunded systemic-risk fund to be maintained by the nation's largest financial institutions. ICBA and CBAI worked vigorously in support of these provisions. Meanwhile, lobbyists for the ABA worked against adoption of the FDIC assessment amendment.

CBAI thanks the many community bankers who contacted their respective congressmen that serve on the Committee to urge their support for these amendments.

The assessment amendment would return \$4.5 billion to community banks over the next three years and allow lower premiums for 98 percent of the nation's community banks. Please view a [Spreadsheet](#) to determine how much your bank would save. Also see [Frequently Asked Questions](#) on the amendment.

The systemic-risk fund would be segregated from the FDIC deposit insurance fund and funded by banks with more than \$50 billion in assets.

Illinois Congressmen Gutierrez and Manzullo Congratulated for Their Sponsorships

CBAI congratulates and thanks Congressman Luis Gutierrez (D-Chicago) and Congressman Don Manzullo (R-Rockford) for sponsoring the FDIC assessment amendment. Representative Gutierrez also sponsored the systemic risk fund amendment.

The Final House Financial Services Committee passage of the House systemic-risk legislation is expected Tuesday, Dec. 1.