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March 16, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Trump:

On behalf of community bankers nationwide, with more than 52,000 locations, I write to thank you for your strong and ongoing leadership in the coronavirus crisis. I also want to thank you again for the opportunity to meet with you at the White House to discuss how community banks can help sustain the economy and support employment. As I stated then, America's community banks are strong, well capitalized, and stand ready to support their small business and consumer clients with ready access to credit.

Since the beginning of the crisis, I have been in intensive discussions with community bankers from across the country serving rural, suburban, and urban markets. The following recommendations reflect their judgement regarding what would be most effective in addressing the crisis.

- Raise current bank-qualified municipal bond annual issuance limit to \$30 million from \$10 million to create greater incentives and expedite low-cost funding for local projects. This would mirror a successful provision of the 2009 American Recovery and Reinvestment Act.
- Allow more bank lenders access to the process currently available to SBA preferred lenders: a low-doc, expedited SBA 7(a) loan program with 85% guarantee for small business loans up to \$250,000. Also, reduce lender and borrower fees for these loans.
- Exempt interest on small business loans held by community banks, as provided for in the Access Business Credit Act (H.R. 4805).
- Exempt interest on loans secured by agricultural real estate or primary residences in rural communities from taxation as provided for in the Enhancing Credit Opportunities in Rural America (ECORA Act, H.R. 1872/S. 1641).
- Allow 8% community bank leverage ratio. Bank regulators recently set this ratio at 9% while Congress allowed in statute ability to use lower 8%.
- Delay application of the new Current Expected Credit Losses standard in order to avoid disincentives to lending.

The Nation's Voice for Community Banks.®

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I'm sure you agree that expeditious action is critical. ICBA looks forward to working with you to swiftly enact these important measures and contain any economic damage that may result from the coronavirus.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

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