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March 16, 2020

The Honorable Charles E. Grassley
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Grassley, Ranking Member Wyden, Chairman Crapo, and Ranking Member Brown:

On behalf of community bankers nationwide, with more than 52,000 locations, I write to forward our recommendations for stimulus and relief measures that should be enacted expeditiously to mitigate the economic impact of the spreading coronavirus.

The following recommendations are based on input from community bankers across the country serving rural, suburban and urban markets. They reflect their judgement regarding what would be most effective in sustaining economic activity and employment.

- 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 Response and Recovery 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).

The Nation's Voice for Community Banks.®

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- 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.

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

CC: Members of the Senate Finance and Banking, Housing, and Urban Affairs Committees

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