

March 25, 2025

The Honorable French Hill
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Re: March 26 Hearing Legislation

Dear Chairman Hill and Ranking Member Waters:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write to thank you for scheduling a hearing on March 26th titled: “A New Era for the CFPB: Balancing Power and Reprioritizing Consumer Protections.” We are grateful for the inclusion of community bank priority legislation, as specified below:

The Transparency in CFPB Cost-Benefit Analysis Act (Rep. Barry Loudermilk)

Consumer Financial Protection Bureau (CFPB) rules have a direct impact on the financial lives of American consumers, small businesses, and others. The agency should be required to rigorously justify its rules quantitatively and qualitatively. This bill would create a rigorous cost-benefit analysis, resulting in more reasoned, measured rulemaking with a direct benefit to the community banks, consumers, and small businesses they impact.

The Making the CFPB Accountable to Small Businesses Act (H.R. 1606, Rep. Scott Fitzgerald)

H.R. 1606 would strengthen the regulatory flexibility analysis required by the Small Business Regulatory Enforcement Fairness Act to encourage agencies to tailor requirements for smaller businesses with fewer compliance resources or provide a detailed justification of their determination that the relative size and resources of small businesses should have no bearing on the rule. Before finalizing any rule, the Act would require that agencies describe steps taken to minimize any additional cost of credit for small businesses. If an agency determines that no alternatives to the final rule exist, it must provide a detailed justification for this determination.

Requiring these justifications, both in the initial and in the final analysis of any rule, will result more flexible, tailored, and less burdensome regulation for small businesses.

The “Rectifying Undefined Descriptions of Abusive Act and Practices Act” (the Rectifying UDAAP Act, H.R. 1652, Rep. Andy Barr)

H.R. 1652 would bring much needed clarity and balance to the application of the Consumer Financial Protection Bureau’s UDAAP authority under the Dodd-Frank Act.

The Bureau has often exceeded its statutory authority under UDAAP and thereby threatened continued access to the products and services on which American consumers depend. H.R. 1652 would promote accountability in the application of UDAAP authority by requiring clear descriptions of acts or practices that are “abusive”; establishing policies and procedures for the imposition of civil penalties, including mitigating factors; mandating cost-benefit analysis of any final rule under UDAAP; and clarifying that the Bureau may not interpret its authority under UDAAP to include discriminatory practices, among other requirements.

Together, these provisions would create a more transparent UDAAP with consistent and predictable application and more effective consumer protection.

We believe that the bills listed above would create more balanced and effective CFPB rules that promote both consumer protection and access to credit and other banking services.

Thank you for considering the committee bank perspective on these important bills.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: Members of the House Financial Services Committee