

March 3, 2025

The Honorable Andy Barr
Chairman
Subcommittee on Financial Institutions
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Barr:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write to thank you for introducing the “Rectifying Undefined Descriptions of Abusive Act and Practices Act” (the Rectifying UDAAP Act, H.R. 1652). Your bill would bring much needed clarity and balance to the application of the Consumer Financial Protection Bureau’s UDAAP authority under the Dodd-Frank Act.

As you have recognized, the Bureau has exceeded its statutory authority under UDAAP and thereby threatened continued access to the products and services on which American consumers depend. The Bureau must act with accountability and respect for the limits of its statutory authority. Your bill would promote such accountability 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.

Thank you again for introducing the Rectifying UDAAP Act. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO