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June 8, 2022

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

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

**Re: Exclusion of Legislation from June 14 Markup**

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to express our strong opposition to the bills listed below and to ask that these bills not be included in the Committee's June 14 markup.

**The Overdraft Protection Act (H.R. 4277)**

H.R. 4277 contains overdraft restrictions that would force many community banks to stop offering overdraft services to their customers. Such restrictions would result in significantly more bounced checks and declined debit card transactions—leading to unnecessary credit rating harm. H.R. 4277 will not address or stop fees and additional consequences for missed or late payments levied by landlords, medical insurance, utility companies, childcare, and other payment stakeholders.

ICBA urges the Committee to reject H.R. 4277.

**The Protecting Consumers From Payment Scams Act**

This legislation would make banks liable for fraudulent, peer-to-peer payment app transactions approved by customers. Community banks are not in a position to determine whether a payment app transaction is fraudulent and must not bear responsibility for such payments authorized by a consumer. The consumer is best positioned to determine whether a payment app request is valid and should take responsibly for payments they approve. ICBA strongly supports ongoing efforts to better educate consumers to identify fraudulent payments.

*The Nation's Voice for Community Banks.®*

WASHINGTON, DC  
1615 L Street NW  
Suite 900  
Washington, DC 20036

SAUK CENTRE, MN  
518 Lincoln Road  
P.O. Box 267  
Sauk Centre, MN 56378

866-843-4222  
www.icba.org

The Committee should carefully consider the effect this legislation would have on the adoption of real-time payments, which have the potential to exponentially increase the incidence of payment app fraud. Banks may be prevented from adopting real-time payments if doing so increases their payment app fraud liability.

#### **The Small Business Fair Debt Collection Protection Act (H.R. 6814)**

H.R. 6814 is misguided legislation that would make it more difficult for community banks to communicate with struggling small business debtors in order to renegotiate debt and provide relief. It would not relieve small business owners of debt.

The hurdles to communication H.R. 6814 would create would increase the likelihood of litigation which would be more costly for borrowers than direct communication with creditors. H.R. 6814 is not in the best interest of small business debtors.

#### **The Small Business Lending Disclosure Act (H.R. 6054)**

By requiring Truth in Lending Act disclosures in small business lending, H.R. 6054 would create more hurdles to the provision of credit to small businesses. Community banks are relationship lenders. Their reputation in the local communities they serve is paramount to their success. Predatory lending of any kind would only compromise the future of a community bank.

H.R. 6054 would increase the already significant burden associated with small business lending. It risks driving more community banks away from small business lending reducing access to credit.

In view of these concerns, ICBA urges you not to include the above-mentioned bills in the June 14 markup.

Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the House Financial Services Committee

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