



MID-SIZE BANK COALITION OF AMERICA

April 12, 2017

The Honorable Michael D. Crapo
Chairman
Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Gentlemen:

I am submitting this on behalf of the Mid-Size Bank Coalition of America (MBCA) in response to your solicitation of legislative proposals to increase economic growth.

The MBCA is comprised of 78 member banks with head offices in 29 states, with assets between approximately \$8 billion and \$50 billion doing business in the United States. In terms of their common business model, which entails relationship banking, these banks are essentially community banks with the ability to offer flexible, innovative services to Main Street businesses. These banks are particularly well positioned to assist small business, the economic engine of this country. A fairly recent study found that small business accounted for 46% of private, nonfarm gross domestic product, meaning that small business generated half of all production in the U.S., and half of all employment. Thus, to the extent that restraints on these banks can be reduced so that they can provide vitally needed credit to small business, employment and GDP will grow, since the overwhelming majority of small business lending is provided by community and mid-size banks.

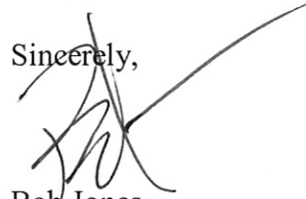
The largest banks in the country are compelled to use complex financial modeling in assessing their customers' lending needs. Community banks and mid-size banks, on the other hand, are able to use actual knowledge of the customer and base credit decisions on soft data such as the customer's character and local economic conditions.

Unfortunately, in the past arbitrary asset thresholds have been set that have made it very difficult for the mid-size banks to effectively operate. In your consideration of proposals to make adjustment to Dodd-Frank, the MBCA urges you to revisit the \$10 billion threshold as it applies in a variety of regulatory contexts. We would also urge you to revisit the SIFI threshold of \$50 billion, adjusting it upward to reflect economic realities.

The MBCA's two highest priorities would be to eliminate these thresholds and replace them with an activities-based standard or, at a minimum, to raise the thresholds as much as possible. The key sections of Dodd-Frank which need to be amended are Sections 165, 1025, 1026 and 1075, the relevant thresholds which should be addressed are highlighted in the attached copies. As indicated above, the dollar thresholds contained in these sections should be replaced by an activities-based standard or significantly raised in amount.

The MBCA appreciates the Committee's consideration of these issues, and it stands ready to work with the Committee in crafting appropriate legislative language.

Sincerely,

A handwritten signature in black ink, appearing to be 'Bob Jones', written over a horizontal line. The signature is stylized and cursive.

Bob Jones
Chairman
Mid-Size Bank Coalition of America