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February 1, 2011

By electronic delivery to:

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Attention: Docket No. R-1399 & Docket No. R-1400

Re: Proposed Rule to Implement Changes to Regulations Z and M
Increasing the Threshold Amount for Exempt Consumer Credit
Transactions and Consumer Leases [Docket Nos. R-1399 & R-1400]

Dear Ms. Johnson:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on the Federal Reserve's proposed rules amending Regulation Z, which implements the Truth in Lending Act (TILA), and Regulation M, which implements the Consumer Leasing Act (CLA). These proposed rules

¹*The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.*

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold \$1 trillion in assets, \$800 billion in deposits, and \$700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

amend Regulations Z and M by increasing the threshold amount for exempt consumer credit transactions and consumer leases from \$25,000 to \$50,000.

Effective July 21, 2011, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amends TILA and the CLA by increasing the threshold amounts from \$25,000 to \$50,000. In addition, the Dodd-Frank Act provides that, on or after December 31, 2011, this threshold must be adjusted annually by any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The Federal Reserve's proposed amendments in Regulations Z and M address this statutory change.

In its Regulation Z proposed rule, the Federal Reserve provides a longer compliance period for certain open-end credit accounts that are exempt from TILA prior to July 21, 2011, and allows these accounts to remain exempt from compliance with the new Regulation Z amendments until July 21, 2012. The Federal Reserve stated this longer transition period for these accounts would provide additional flexibility that may be needed in order to facilitate compliance with the regulatory changes.

While ICBA agrees this additional transition period is necessary for these accounts, we also ask that the Federal Reserve extend the effective date for compliance to July 21, 2012 for all consumer credit accounts – both closed-end and open-end credit accounts – and consumer leases to provide community banks enough time to make the necessary changes to their systems, disclosures, and procedures.

While these amendments to Regulations Z and M may not appear to be very burdensome when viewed in isolation, these amendments combined with the extensive regulatory changes that have taken place and are yet to come create an economic environment in which community banks are struggling to make overwhelming operational changes in a limited amount of time. Any additional relief that can be provided to community banks ensures that changes can be made carefully and effectively, which will better benefit consumers.

ICBA hopes the Federal Reserve carefully considers these comments. Please do not hesitate to contact Elizabeth Eurgubian at 202-659-8111 or by email at Elizabeth.Eurgubian@icba.org if you have questions or would like to discuss these concerns in more detail.

Sincerely,

/s/

Elizabeth A. Eurgubian
Vice President & Regulatory Counsel