



# 2015-16 Policy Resolutions

## State Issues

1. CBI continues to support beneficial and fair competition among insured depository institutions through active enforcement of Iowa's laws relating to multi-bank holding company deposit concentration and CBI will remain active in any ongoing dialogue to ensure that existing limitations remain and enforceability continues.
2. CBI supports parity for Iowa-based financial institutions with out-of-state entities.
3. CBI supports the right of individual states to regulate financial institutions within their borders, regardless of charter source and selection. As a result, CBI opposes blanket preemption of state laws designed to protect the welfare of Iowa's citizens by any federal agency or regulator and supports legislation or regulations that defer to state-established minimum standards over federally-established minimum standards for Iowa financial institutions.
4. CBI supports legislation designed to provide parity to Iowa banks in cases where federally chartered banks have privileges or permissible activities not allowed to state chartered banks to better enable Iowa chartered banks to remain competitive and thereby better able to serve Iowa consumers.
5. CBI supports state policies that strengthen, diversify, and promote adding value to Iowa's agricultural production including alternative fuel and energy production.
6. Should weather conditions in Iowa negatively impact the agricultural industry, CBI supports emergency relief efforts at both the State and Federal level that will help provide the industry with the liquidity that may potentially be needed for farms to survive, including programs that may be offered through financial institutions designed for such purpose.
7. CBI supports policies that will result in broad infrastructure investment and long-term funding of Iowa's roads, bridges, and railways so that Iowa's products can continue to reach markets and Iowa's general economic growth in both rural and urban areas can be optimized.
8. CBI supports conforming the provisions of the Iowa Banking Code to the Iowa Business Code.
9. CBI supports legislation and local efforts to enhance chances for Iowa communities to benefit from the rural development incentives provided under Title VI of the Farm Security and Rural Investment Act of 2002.
10. CBI supports amending the Iowa Code to clarify that agricultural supply dealer liens only may achieve priority over prior perfected liens only with the written consent of the prior secured creditor.
11. CBI supports the parity of taxation between credit unions and community banks.
12. CBI is opposed to any state efforts to expand credit unions' field of membership or permissible activities beyond those consistent with the traditional mission of credit unions.
13. CBI is opposed to additional regulatory or statutory burdens or restrictions on agency brokerage by banks or bankers of insurance, real estate and securities.

14. CBI continues to support legislation that would allow title insurance to be sold privately in Iowa.
15. CBI supports a state tax credit for fees paid to the SBA for loan origination within Iowa.
16. CBI supports allowing Iowa-chartered financial institutions with trust powers (or that amend their charters to provide for trust powers) to transfer trust activities to a separately established affiliate owned by their parent holding company or the financial institution itself.
17. CBI encourages the Governor, the Legislature and Iowa Department of Economic Advancement to develop programs to specifically address smaller communities and small business development along with larger target industry programs.
18. CBI supports the ability of all cardholders of financial institutions in Iowa to have universal access to all ATMs located in Iowa as has been our law and practice since 1972.
19. CBI supports pursuing legislation or regulation to provide that any statutory superiority lien granted to the Iowa Attorney General, by way of Receivership pursuant to 249A.44, also include appropriate due process protections, adequate notice to all impacted parties, and a procedure for equitable allocation by a Receiver of any such lien among all of the parties involved in the proceedings.
20. CBI supports legislation that would allow the Iowa Department of Banking to examine and, when appropriate, engage in enforcement actions against third party vendors to banks that could create cyberrisks to the bank or its customers.
21. CBI supports efforts at the state level to enhance prosecutorial powers and enforcement actions against and jurisdiction over those engaged in cyberthefts or hacking.
22. CBI supports consistent state regulation of virtual currency activities, such as the Policy and Framework developed by the Conference of State Bank Supervisors.
23. CBI supports legislation to make retailers and merchants liable for data breach and fraud losses incurred by banks due to the action or inaction of the retailers/merchants.
24. CBI supports legislation giving the Superintendent of Banking authority to issue parity orders to ensure fair and equitable treatment of state-chartered banks as compared to other financial institutions.
25. CBI encourages the Iowa Division of Banking to streamline and amend Chapter 524 to reduce unnecessary regulations and revise provisions which are inconsistent with modern corporate authority.

## **Federal Issues**

1. CBI supports federal legislation to further expand favorable community bank tax treatment so they can compete with other financial institutions (e.g., credit unions) serving similar markets.
2. CBI opposes any federal legislation that would expand credit unions' field of membership or permissible activities beyond those consistent with the traditional mission of credit unions.
3. CBI opposes the burdensome provisions of the Basel III capital rules relating to various reporting requirements, while generally supporting application of portions of Basel III as it relates to capital levels that are uniformly imposed on all banks.

4. CBI supports legislation that would require “Too Big to Fail” banks to hold tangible capital commensurate with their risk activities and profile.
5. CBI supports the ICBA “Plan for Prosperity” as a set of provisions to help preserve the community banking model and way of life.
6. CBI supports a true, bifurcated regulatory system that does not impose some of the burdens on banks with assets over \$10 billion that were aimed at addressing their past practices onto community banks. Community banks should not be burdened with rules and standards designed for the larger banks that make it more difficult for smaller banks to remain profitable, stay in business and serve their communities.
7. CBI continues to support increasing the number of eligible shareholders in order to qualify for S-Corporation status from 100 to a more appropriate number.
8. CBI supports prudent tax provisions such as Congressional efforts to extend certain tax cuts.
9. CBI supports permanent elimination of federal estate taxes as a means of preserving family farms and businesses.
10. CBI opposes new or increased fees or taxes on community banks including increases in examination fees and taxes on bank products or any changes that would increase their tax liability.
11. CBI supports continued federal efforts to provide financial education to consumers and students in efforts to promote informed consumer financial decisions and efforts to assist community banks in helping consumers understand financial products and decisions.
12. CBI opposes the affiliation of commercial banks or bank holding companies with commercial firms, including using limited purpose charters outside current regulatory frameworks in order to create competing, parallel banking structures.
13. CBI supports including the Farm Credit System in the proposed review of GSEs Fannie Mae and Freddie Mac.
14. CBI supports regulatory and tax relief that is broad based in order to give community banks better opportunities to fulfill their responsibilities to their communities and compete fairly with tax-advantaged entities including credit unions and the Farm Credit System.
15. CBI opposes any CFPB-imposed regulatory burdens on community banks or being subjected, directly or indirectly, to CFPB’s regulation and enforcement powers and specifically opposes any “mission creep” on the part of CFPB.
16. Recognizing the importance of the farm sector’s profitability, we support efforts to enhance crop insurance product offerings to provide an effective financial safety net.
17. CBI opposes unfair competition from federal GSE’s by the implementation of statutory language providing that the obligations of such entities are not backed by the full faith and credit of the United States.
18. CBI supports the increase in FDIC insurance limits but believes such limits should be indexed to keep pace with inflation.

19. CBI opposes legislation that would make financial institutions liable for repayment of any authorized distributions of government benefits from deceased accountholder's accounts until such time as financial institutions have received actual notice of the accountholder's death from the accountholder's estate.
20. CBI supports fair privacy legislation that contains uniform standards for all insured institutions and would resist any efforts to require additional or added opt-in or restrictions on information sharing with affiliates.
21. CBI supports payment system regulation that preserves the ability of community banks to compete fairly in the traditional payment system mechanisms as well as ATM, debit, credit card, POS, mobile, and other evolving electronic payment systems and that recognizes community banks are not in a position to bear responsibility for oversight of service providers beyond conducting reasonable due diligence in connection with evaluating potential vendors
22. CBI opposes the sale of bank customer data to unrelated third parties on grounds of bank customer confidentiality, while supporting the ability of banks to share information with contracted third parties in the delivery of additional customer services.
23. CBI supports adoption of regulations to address "Too Big to Fail" institutions for a number of reasons, including the risk such institutions pose to the FDIC's insurance fund and the potential assessments community banks could face to cover resolution costs for such institutions.
24. CBI supports the Independent Community Bankers of America's Priority Resolutions.
25. CBI opposes using FDIC deposit insurance funds for any non-financial institution bailouts and extending FDIC insurance coverage to any non-financial institutions.
26. CBI encourages legislation that would prohibit retailers from discriminating against community banks or any products or services offered by community banks or steering customers away from them.
27. CBI supports playing field-leveling legislation to allow insured institutions to compete with non-insured institutions.
28. CBI supports making the NOL five-year carryback permanent for all community banks.
29. CBI supports the ability of community banks, through thoughtful, fair, legislation and regulation, to offer a variety of overdraft services and will continue keeping their consumers fully-informed per applicable requirements of their overdraft coverage's and the cost and benefits of such coverage's.
30. CBI supports addressing regulatory burdens through shared consortium opportunities, such as compliance and core processing, through jointly owned service corporations or subsidiaries with shared management for their operations and oversight of vendors and compliance efforts.
31. CBI supports exemption for community banks from any additional OTC derivatives regulation (including clearing and capital requirements) where such derivatives are used as a tool for hedging risk.
32. CBI supports enforcement of a hard deposit concentration cap that is not vulnerable to manipulation.
33. CBI supports legislation and regulation that establishes realistic valuation metrics for purposes of credit analysis.

34. CBI supports allowing community banks, through legislative initiatives, to amortize commercial real estate and commercial real estate loan losses over a 10-year period.

35. CBI supports repeal of portions of Dodd-Frank as applied to community banks that should only be applied to large banks, while also supporting the continued implementation of the Act and its regulatory mandates so long as regulators and legislators are cognizant and sensitive to the unique nature of community banks and the burden and competitive inequity that results from added regulatory burdens.