

## REGISTERED LOBBYIST CONTACT DISCLOSURE FORM

This form is to be completed by Executive Branch employees who are contacted by registered lobbyists regarding EESA. This report includes a written description of each contact, the date and time of the contact, and the names of the registered lobbyist(s) and the employee(s) with whom the contact took place. Written materials prepared by registered lobbyists should be attached to this form for posting on the website. The information on this form will be available to the public on Treasury's website.

To be completed by the employee contacted			
Date and time of contact:	Name of the Employee(s) Contacted (Name and Title)	Brief description of the communication: (attach separate sheet if necessary)	
February 17, 2010	Gene Sperling Counselor to the Secretary of the Treasury	On February 17, 2010, Carla M. Taylor, an Executive Assistant at ICBA, emailed Gene a copy of a letter that Cam Fine had sent to Secretary Geithner regarding the Administration's proposal to establish a Small Business Lending Fund.	
Name of the Employee(s) who prepared this form:			Date
Victoria Suarez-Palomo			March 18, 2010

Registered Lobbyist Name:	Title:	Firm or Organization:, if applicable	Client
Cam Fine	President and CEO	Independent Community Bankers of America (ICBA)	

## Palomo, Victoria

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**From:** Sperling, Gene [Gene.Sperling@do.treas.gov]  
**Sent:** Wednesday, February 17, 2010 12:42 PM  
**To:** Palomo, Victoria  
**Subject:** FW: ICBA Letter to Treasury Regarding Small Business Lending  
**Attachments:** ICBA Ltr to Treas on Sm Bus Lend Fund, 021710.pdf

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From: Carla Taylor-Badawu[SMTP:CARLA.TAYLOR@ICBA.ORG]  
Sent: Wednesday, February 17, 2010 12:16:50 PM  
To: Sperling, Gene  
Cc: Karen Thomas; Grace Bauer  
Subject: ICBA Letter to Treasury Regarding Small Business Lending Auto forwarded by a Rule

Good afternoon Mr. Sperling,

Please find attached a letter that Cam Fine, ICBA President & CEO, sent to Secretary Geithner regarding the proposal to establish a Small Business Lending Fund. I am forwarding it to you as you were copied on the letter.

Best Regards,

Carla M. Taylor-Badawu

Executive Assistant, Government Relations

Independent Community Bankers of America

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ICBA: The Nation's Voice for Community Banks

Plan to attend ICBA's National Convention & Techworld March 17-21, 2010 at Gaylord Palms in Orlando, FL!



**INDEPENDENT COMMUNITY  
BANKERS *of* AMERICA**

February 17, 2010

The Honorable Timothy F. Geithner  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Geithner:

On behalf of the 5,000 members of the Independent Community Bankers of America, we greatly appreciate and support the Administration's proposal to establish a Small Business Lending Fund that would provide capital to interested community banks. Under the program, banks with less than \$1 billion in assets could receive capital investments up to 5 percent of their risk-weighted assets, and those with between \$1 and \$10 billion in assets could receive up to 3 percent. \$30 billion in repaid Troubled Asset Relief Program funds would be transferred to the new program.

We believe that the central purpose of the program—to spur further lending to small businesses by investing in community banks—would be accomplished if the program is structured properly. As pointed out in the fact sheet on the proposal, community banks with assets up to \$10 billion are prolific small business lenders while accounting for only 20 percent of bank assets. With leveraging, the \$30 billion investment in community banks could potentially support many times that in loans to small businesses. By reducing the dividend cost on the capital investment, this program helps ensure more community banks have a greater capacity to increase total loans to small businesses.

However, to make sure that the program achieves its goal of spurring further lending to small businesses, ICBA strongly recommends the following:

- (1) There should be no TARP-like restrictions to receiving the investment, otherwise participation will be minimal. For instance, there should be no warrants, no compensation restrictions, no bank dividend restrictions, and no restriction on using available tax measures such as the net operation loss (NOL) carryback. The government should not have the right to change the contract or add conditions unilaterally. Furthermore, banks should be able to return the investment at any time without penalty and should be able to keep the investment for at least five years or more to better facilitate small business loan durations. Dividend payments on the capital should be suspended for one year until the small business loans can be underwritten and put in place.
- (2) The broadest number of community banks possible should be eligible to participate. For instance, banks with composite CAMELS ratings of 3 or higher should be automatically eligible and banks with composite CAMELS ratings of 4 should be eligible to participate after approval. Banks with CAMELS ratings of

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CYNTHIA L. BLANKENSHIP  
*Immediate Past Chairman*

CAMDEN R. FINE  
*President and CEO*

1 and 2 generally have enough liquidity and capital to make small business loans without investment from the proposed fund. The fact that a community bank is subject to a supervisory order should not disqualify it from participating. If a bank's financial position is to be considered, the status should be based on the bank's post-investment capital position, i.e., include the impact of the capital injection from this proposal. In addition, special consideration should be given to minority banks given their roles in promoting the economic viability of minority communities. Furthermore, all types of banks should be able to participate, including Subchapter S, mutual banks and holding companies. Treasury should have the ability to make the final capital injection decision after consultation with the bank regulators. The application eligibility and approval process must be well-defined and transparent so bank access to the program will be fair and consistent.

- (3) Existing TARP CPP recipients should be able to easily transfer to the new program and be subject to the new program rules and released from their existing TARP restrictions.
- (4) Community banks that participate should be able to treat the investment as Tier 1 capital and the definition of small business loans should be broad enough to include agriculture loans. Furthermore, Treasury should implement a relatively easy way to report an institution's small business lending.
- (5) Finally, credit unions should not be eligible to participate in the program since they are subject to restrictions on commercial lending and are tax-exempt.

ICBA believes that if the Treasury Department incorporates these recommendations into the new program, a broader spectrum of community banks will participate and the goal of increasing small business lending will be advanced. This program will help overall economic activity and job creation in the communities served by local banks across America.

Thank you again for introducing this proposal and ICBA looks forward to working with you and the Congress to help advance this effort so that community banks can continue to aid in our nations' economic recovery.

Sincerely,

/s/

Camden R. Fine  
President and CEO

cc: The Honorable Herb Allison  
Gene Sperling