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CAMDEN R. FINE
President and CEO

May 25, 2010

The Honorable Nancy Pelosi
Speaker of the House
Capitol Building
Washington, DC 20515-6510

The Honorable John Boehner
House Minority Leader
Capitol Building
Washington, DC 20510-6537

Dear Speaker Pelosi and Minority Leader Boehner,

On behalf of the nearly 5,000 members of the Independent Community Bankers of America we urge prompt enactment of the key provisions in the “American Jobs and Closing Loopholes Act of 2010.” This legislation will help secure expiring incentives and tax-relief measures that will allow the nation’s small businesses and community banks to bolster job growth and economic activity. Importantly, the proposed package by House Ways and Means Committee Chairman Sander Levin and Senate Finance Committee Chairman Max Baucus includes:

- An ICBA-requested extension of Small Business Administration loan program incentives under the Recovery Act that lower fees and increase the guarantee to 90 percent on SBA loans. Community bankers have successfully used these incentives to double their SBA business lending over the past year.
- An extension of tax-exempt eligibility for loans guaranteed by the Federal Home Loan Banks to support greater lending.
- An extension of the \$30 million annual issuance limit for successful tax-exempt qualified small-issuer bonds uses extensively by community banks. This ICBA-backed provision will allow community banks to finance local projects with more reasonable financing costs.
- The extension of the special rule for Subchapter S Corporations making charitable contributions to adjust their shareholder basis.
- The extension of the New Markets Tax Credit incentives.
- The ICBA-supported Build America Bonds program extension where community banks participate in supporting greater state and local infrastructure financing.

Additionally, ICBA is pleased to see a proposed new “pay-for” tax that could have broadly applied payroll taxes to all S corporation income was addressed. The latest provision has been substantially narrowed to avoid impacting the broad S Corporation sector and Subchapter S community banks.

We look forward to working with Congress to promptly enact the important tax relief, fee reductions, and financing incentives in this legislation. ICBA strongly supports extending tax relief and lowering fees to help spur greater economic growth and job creation.

Sincerely,

/s/

Camden R. Fine
President and CEO

cc: The Honorable Sander Levin,
Chairman, Ways and Means Committee