

# VIRGINIA BANKERS ASSOCIATION

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**Via Agency Website: [www.fdic.gov/regulations/laws/federal](http://www.fdic.gov/regulations/laws/federal)**

Robert E. Feldman  
Executive Secretary, Attn.: Comments  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, D.C. 20429

**Re: RIN 3064–AF21, Federal Interest Rate Authority**

Dear Mr. Feldman:

The Virginia Bankers Association (“VBA”) represents banks of all sizes and charters and has served as the organized voice for Virginia’s \$615 billion banking industry and its 42 thousand employees since 1893. We appreciate the opportunity to comment on the Federal Deposit Insurance Corporation’s (“FDIC”) notice of proposed rulemaking regarding federal interest rate authority.

The VBA supports the FDIC’s proposed regulations to implement Section 27 of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. 1831d), which authorizes state-chartered banks to charge interest at the rate allowed by the law of the state where the bank is located and export those rates to out-of-state borrowers. We concur that a bank’s power to make loans implicitly includes the power to assign those loans to third parties who step into the shoes of the originating bank and are bound by the terms of the loan. A bank or non-bank assignee has the right to receive the consideration agreed upon in the loan contract, which includes the interest that was agreed upon by the parties. It is imperative that loans that are valid when made by a state-chartered bank remain valid upon sale or assignment to a third-party in order to encourage bank lending, maintain the value of the loans, and support secondary markets for bank-originated loans.

Thank you for the opportunity to provide comments. If you have any questions, please feel free to contact me at 804-819-4701 or [bwhitehurst@vabankers.org](mailto:bwhitehurst@vabankers.org).

Sincerely,



Bruce T. Whitehurst  
President & CEO