



April 18, 2016

Hon. Thomas J. Curry
Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

Hon. Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corp.
550 17th Street, NW
Washington, DC 20429

Hon. Janet L. Yellen
Chair
Board of Governors of the
Federal Reserve System
20th Street & Constitution Avenue
Washington, DC 20551

Re: Midland Funding, LLC, *et al.* v. Saliha Madden

Dear Comptroller Curry and Chairs Gruenberg and Yellen:

The Texas Bankers Association (TBA) is the oldest and largest state banking association in the nation. Included among the approximately 500 federally-insured depository institutions comprising its membership are the smallest bank in the nation, Oakwood State Bank, and the largest bank in the nation, Bank of America, N.A.

On behalf of all its member institutions, TBA takes this opportunity to urge each of the federal supervisory agencies to lend its full support to the legal efforts underway to reverse the above-referenced appellate decision rendered on May 22, 2015 by the U.S. Court of Appeals for the Second Circuit. By overriding the ability of a national bank to originate and export loans at interest rates permissible under the laws of the state in which it is located, this decision ignores the plain language of Section 85 of the National Bank Act and over 150 years of legal precedent and business practices premised on that statute. Section 27 of the Federal Deposit Insurance Act provides insured state-chartered banks with identical authority meaning that this decision, were it allowed to stand, will have the same negative ramifications for state-chartered institutions.

Most importantly, this appellate decision impairs the entire secondary market for all forms of credit. This is a core market function which is not only an important liquidity source for banking institutions, but is a vehicle for attracting additional national and international capital to the U.S. economy.

For these reasons, we respectfully request the agencies to convey the significance of this issue to the nation's financial system to the Solicitor General of the United States and to elicit the support of the

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Justice Department for an *amicus* brief in support of the Petition for a Writ of Certiorari which has recently been filed in connection with this case.

Thank you for taking these views under consideration.

Sincerely,

A handwritten signature in black ink that reads "J. Eric T. Sandberg, Jr." The signature is written in a cursive style with a large, prominent "J" at the beginning and a "Jr." at the end.

J. Eric T. Sandberg, Jr.
President & CEO

cc (via electronic delivery):

Scott G. Alvarez, Esq., General Counsel, Board of Governors of the Federal Reserve System
Amy S. Friend, Esq., Sr. Deputy Comptroller & Chief Counsel, Office of the Comptroller of the
Currency
Charles Yi, Esq., General Counsel, Federal Deposit Insurance Corporation