

Durbin-Marshall Amendment Expansion Legislation.

ICBA opposes legislation to create new credit card routing mandates, expanding on the Durbin Amendment's interchange restrictions. While the Credit Card Competition Act (S. 1838 and H.R. 3881) is designed to apply to banks with over \$100 billion in assets, community banks would be forced to subsidize costly systemwide changes that would put customer data at risk.

- ICBA released polling which shows that a substantial bipartisan majority of voters oppose the Durbin proposal, which could end credit card reward programs.

Strong Support for ILC Loophole Bill. The industrial loan company (ILC) loophole allows big tech and commercial companies to own essentially full-service FDIC-insured banks while evading holding company supervision. ICBA is promoting bipartisan legislation that would close the ILC loophole, grandfather existing ILCs, and address pending applications.

- The Close the Shadow Banking Loophole Act (S. 3538) was advanced in the Senate in December by a bipartisan group of Senators, led by Chairman Brown (D-OH) and Senator Kennedy (R-LA). Chairman Brown designated S. 3538 as "priority legislation" for 2024.
- Last Congress, bipartisan legislation to close the ILC Loophole (H.R. 5912) passed out of the House Financial Services Committee.

Farm Bill and Support for Agriculture. ICBA is aggressively advocating for rural community bank priorities, recommending six key principles for a new Farm Bill, which is now in development. These priorities include ample funding for commodity programs, rural broadband, and crop insurance. ICBA also advocates for higher USDA guaranteed loan limits, a USDA Express program (loan approval within three days of submission), and other program enhancements. ICBA strongly opposes expansion of the Farm Credit System into non-farm lending activities.

Tax Incentives for Community Bank Agriculture and Home Loans. ICBA supports the ACRE Act (H.R. 3139, S. 2371), the successor to the ECORA Act of the last Congress. The Act, which enjoys bipartisan support, would create a tax exclusion for interest on loans secured by agricultural land and residential mortgages in rural communities.

ICBA Launches Check Fraud Task Force. The task force, composed of more than 30 community banks and state bankers' associations, was created to explore solutions to prevent, detect, and mitigate check fraud. The task force is just one component of ICBA's broader strategy to work with stakeholders in Congress, the agencies, law enforcement, and industry to reduce the burden of check fraud.

Real Results For Your Bank

FDIC Special Assessment Relief. The FDIC finalized a special assessment triggered by the failures of Silicon Valley Bank and Signature Bank. In response to ICBA's advocacy, the assessment exempts community banks with uninsured deposits of less than \$5 billion, meaning these community banks will not pay a penny of the \$16.3 billion in special assessments collected by the FDIC.

Congress Rejects 1071 Rule. With strong bipartisan support, both the House and the Senate passed a resolution (S.J.Res.32) in the fall to nullify the CFPB's final rule under Dodd-Frank Section 1071. Though the President vetoed S.J.Res.32, its passage by Congress will nevertheless help to highlight and advance community bank concerns with the final rule.

Federal District Courts Rule Against 1071 Rule. Federal district courts in Texas and Kentucky have temporarily enjoined the CFPB from enforcing the rule against community banks. ICBA, the Independent Bankers Association of Texas, and Texas First Bank intervened in a lawsuit filed in the U.S. District Court for the Southern District of Texas and secured expanded injunctive relief from the 1071 rule for all community banks across the country.

Challenging Reckless “Junk Fee” Rhetoric. ICBA is aggressively challenging the mischaracterization of legitimate overdraft fees and credit card fees for late payments. These clearly disclosed fees make possible services that consumers seek and rely on. The CFPB’s proposal on overdraft and its final rule on credit card late fees will have negative, unintended consequences for consumers.

Injunction Granted Against CRA Rule. ICBA joined other national and state trade associations in a lawsuit filed in the Northern District of Texas against the Federal Reserve, FDIC and OCC for exceeding their statutory authority and acting arbitrarily and capriciously in their revision to the Community Reinvestment Act rule. The lawsuit asks the court to vacate the rule. The Court has granted ICBA’s motion for a preliminary injunction, concluding that the plaintiffs have a “substantial likelihood of success on the merits” of the case. All implementation dates of the final rule are to be extended, day for day, as long as the injunction remains in place.

Cannabis Banking. ICBA supports legislation that would create a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses in states where cannabis is legal.

- The SAFE Banking Act has passed the US House of Representatives seven times in previous Congresses. In September, the Senate Banking Committee passed similar legislation, the SAFER Banking Act (S. 2860).

Crypto Assets, Decentralized Finance.

Unregulated crypto assets, including stablecoins, as well as decentralized finance (DeFi), threaten to disintermediate community banks and heighten risks for the wider economy and must be appropriately regulated. ICBA strongly opposes efforts to grant nonbank stablecoin issuers access to the Federal Reserve master account and to license novel nonbank issuers not subject to the same regulation as community banks.

- ICBA has convened a Digital Assets Subcommittee to examine and deliberate issues related to a proposed CBDC and digital assets.

Central Bank Digital Currency. ICBA opposes a U.S. CBDC which would compete with community bank deposits needed to fund local lending and undermine consumer privacy, among others.

- ICBA supports the CBDC Anti-Surveillance State Act (S. 3801, H.R. 5403), which would address many of ICBA’s concerns with the creation of a CBDC. The bill passed the House Financial Services Committee on September 20.

ICBA Anti-Credit Union “Something’s Wrong”

Campaign. Following a surge in credit union acquisitions of banks, ICBA launched its “Something’s Wrong” targeted digital ad campaign and website to highlight the harm done by the credit union industry’s aggressive and abusive exploitation of their tax exemption.

- ICBA is requesting hearings on Navy Federal’s discriminatory mortgage lending practices revealed in an [analysis by CNN](#).

Section 1033 Exemption. ICBA is seeking accommodations for community banks in the implementation of its Dodd-Frank Section 1033 rule. Specifically, ICBA is urging the CFPB to exempt community banks with less than \$850 million in assets — “small businesses” as defined by the Small Business Administration — from a requirement to create and maintain a third-party developer interface. In addition, ICBA is asking the CFPB to permit banks to charge third parties a reasonable fee for providing access to consumer information. Section 1033 requires financial institutions to make available to consumers and authorized third parties data relating to consumers’ transactions and accounts.

Restricting the Sale of “Trigger Leads.” ICBA is supporting bipartisan bills in the House (H.R. 7297) and Senate (S. 3502) that would restrict credit reporting agencies from the sale of consumers’ contact information when they apply for a residential mortgage. These “trigger leads” compromise consumer privacy, create a flood of unwanted solicitations, and create consumer confusion.

Prescriptive and Intrusive FDIC Corporate Governance Proposal. ICBA opposes the FDIC’s recently proposed “guidelines” that would raise the bar for the “independence” of board members, making it harder to recruit qualified directors and heighten liability risk for bank directors and officers, among other adverse changes. The proposal would apply to institutions with assets of \$10 billion or more, though the agency would reserve broad authority to apply it to smaller institutions.