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Rebeca Romero Rainey, President and CEO

September 8, 2025

The Honorable Mike Rounds
United States Senate
Washington, D.C. 20510

Dear Senator Rounds:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to thank you for introducing the Merchant Banking Modernization Act (S. 2663), which would provide more flexibility to community banks in offering merchant banking services in support of their local economies.

Currently, bank holding companies are limited in the merchant banking investment services they can provide because of the Federal Reserve's determination that merchant banking investments should largely be limited to a 10-year timeframe. Your legislation would amend the Bank Holding Company Act to permit merchant banking investments to be held for at least 15 years. This additional flexibility will result in more capital flowing to small businesses that are hampered by the Federal Reserve's 10-year limitation, funding job creation and economic growth.

We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO