

### CLIMATE RISK REGULATION

ICBA is opposing proposals under consideration in the Administration, the agencies, and Congress to create new mandates regarding climate risk. Proposals include stress testing for the impact of weather events on bank-held assets, concentration limits, increased disclosures, and other mandates.

- » In September, ICBA released a white paper titled: [“Climate Change Regulation on Community Banks: Risks of Choking Off Credit to America’s Communities.”](#)
- » ICBA has submitted comment letters to the [OCC](#), [FDIC](#), and [SEC](#) on their climate risk proposals. ICBA led a grassroots campaign and a [joint state community bank association letter](#) on the FDIC draft principles.

### DEPOSIT INSURANCE ASSESSMENTS

The FDIC has proposed a 2-basis point increase in the deposit insurance assessment rate, effective in the first quarter assessment of 2023, in response to stimulus-related deposit growth which has driven the deposit insurance fund (DIF) ratio.

- » ICBA is reviewing the proposal and will work with the FDIC to mitigate the community bank impact of this significant proposed increase. Comments are due August 20.

### OVERDRAFT

Congress and the regulators should carefully consider the potential unintended consequences of any new overdraft restrictions. Overdraft legislation or regulations should not punish community bank customers by restricting access to services of convenience that meet their account needs.

- » ICBA has surveyed member banks to collect data to counter negative media and demonstrate to policymakers the value of overdraft protection.
- » Adverse overdraft legislation was withdrawn from a House Financial Services Committee markup in June following an ICBA lobbying and grassroots campaign.

### SMALL BUSINESS LOAN DATA COLLECTION RULE

The CFPB’s proposed rule would require banks to collect and report data on loan applications from small businesses, as required by the Dodd-Frank Act. The proposed rule, which would apply to banks that originate 25 or more small business loans per year, fails to recognize the customized nature of small business lending.

- » ICBA submitted extensive [comments](#) to the CFPB urging the Bureau to exempt community banks below \$1.3 billion in assets, collect only statutorily-mandated data, and keep small business borrower information private. ICBA mobilized bankers and business owners nationwide, collecting and submitting detailed comment letters from nearly 300 community banks and small businesses.
- » Rebeca Romero Rainey contributed an [op-ed](#) to American Banker expressing opposition to the CFPB proposal.

## Real Results for Your Bank

Stopped Advance of IRS Reporting	Harmful Tax Proposals Effectively Taken off the Table	Overdraft Bill Withdrawn From Markup
<p>ICBA came out early and forcefully against IRS account reporting, launching media and grassroots campaigns and leading cross-industry letters to Congress. The proposal was omitted from the House-passed Build Back Better Act. ICBA continues to oppose its inclusion in a Senate bill.</p>	<p>Early versions of the Build Back Better Act included provisions to tax capital gains at death and raise the corporate rate, among other adverse provisions. While these provisions are no longer under consideration, due in part to ICBA’s advocacy, other harmful tax increases remain in play. ICBA continues our campaign against them.</p>	<p>As a result of an ICBA lobbying and grassroots campaign, a bill to impose restrictions on bank overdraft practices was withdrawn from a scheduled markup in the House Financial Services Committee.</p>



### INDUSTRIAL LOAN COMPANY LOOPHOLE

The industrial loan company (ILC) loophole allows commercial companies to own ILCs and escape holding company supervision. ICBA is promoting bipartisan legislation that would close the ILC loophole, grandfather existing ILCs, and address pending applications.

- » In a victory for ICBA, H.R. 5912, the “Close the ILC Loophole Act,” passed the House Financial Services Committee in June, the first ILC-reform legislation to pass committee since 2007.
- » ICBA is working with a member of the Senate Banking Committee to introduce legislation to close the ILC loophole.

### CENTRAL BANK DIGITAL CURRENCY (CBDC)

ICBA strongly opposes the creation of a U.S. CBDC, which would directly compete with community bank deposits needed to fund local lending. The risks and costs of a CBDC far outweigh any potential benefits. ICBA is sharing these concerns with the Federal Reserve and with Congress whose authorization the Federal Reserve would need to create a CBDC.

Stablecoins and Decentralized Finance: Unregulated stablecoins and decentralized finance (DeFi) threaten to disintermediate community banks and heighten risks for wider economic disruptions and must be brought within the regulatory perimeter. ICBA will continue to work with regulators, policymakers, and standards-setting bodies to address serious risks to financial stability and consumer protection.

- » ICBA provided statements to The President’s Working Group on Financial Markets on stablecoins as well as congressional testimony.

### ICBA ANTI-CREDIT UNION “WAKE UP” CAMPAIGN

The mission of this campaign is to pursue legislative and regulatory changes to address the expansion of credit unions and to draw media and public attention to the industry’s aggressive and abusive exploitation of their tax exemption.

- » ICBA launched an ongoing digital advertising campaign targeted at D.C. decision makers that resulted in over 725,000 views.
- » Additional recent activities include: an ICBA-sponsored briefing for state community bank associations to share best practices in curbing credit unions at the state level; a [Rebeca Romero Rainey op-ed](#) on credit union-bank acquisitions.

### SBA DIRECT LENDING

ICBA is opposing a provision of the Build Back Better Act that would authorize the SBA to issue direct 7(a) loans of less than \$150,000. The proposal would sideline community bank lenders, reduce access to small business credit, and be prone to fraud.

- » ICBA witnesses have testified (links [here](#) and [here](#)) in opposition to the proposal before the House Small Business Committee hearing.

### TAX INCENTIVES FOR COMMUNITY BANK LENDING

ICBA supports the ECORA Act (H.R. 1977/S. 2202) which would create a tax exclusion for interest on loans secured by agricultural land and residential mortgages in rural communities. ICBA has launched a grassroots campaign to promote cosponsorship of ECORA.

### 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 (H.R. 1996) passed the House in April 2021 on a broad bipartisan vote and is currently before the Senate.
- » ICBA led [a joint-state community bank association letter](#) advocating for inclusion of H.R. 1996 in the COMPETES Act.

### POSTAL BANKING

ICBA opposes proposals to allow the U.S. Postal Service (USPS) to offer financial products and services. Financial services are best provided in a competitive, private, and free marketplace that openly and efficiently benefits customers.

- » ICBA launched a series of short pieces outlining our objections to postal banking.
- » ICBA is [opposing](#) funding for additional pilot programs in an appropriations bill.

### SUPPORT FOR AGRICULTURE

ICBA advocates for enhanced USDA guaranteed lending as well as direct federal assistance and other measures to support American agriculture.