

**ICBA Promotes New Regulatory and Tax Agenda for the 119th Congress.** To capture opportunities presented by the new Administration and Congress, ICBA is promoting our “[Repair, Reform, and Thrive: ICBA’s Plan for Powering Local Economies](#),” which includes aggressive streamlining of community bank regulations and meaningful tax relief to promote economic growth.

- As part of this initiative, ICBA sent our legislative agenda, “[Transforming Regulation for Growth](#),” to the new Congress.
- ICBA published a full-page ad in Politico to promote our agenda.

**Stablecoin Regulation.** ICBA’s direct engagement with Congress on developing a regulatory framework for stablecoins has continued for several years. Congress is expected to pass bipartisan stablecoins legislation this year. As of the beginning of the second quarter, the Senate Banking Committee passed the [GENIUS Act](#) (S. 394), and the House Financial Services Committee passed the [STABLE Act](#) (H.R. 2392). Both bills include ICBA-advocated provisions to preserve existing policy on Federal Reserve master accounts, disallow payment yield or interest on stablecoins, and provide a pathway for bank issuance. ICBA continues to urge lawmakers to address key issues in stablecoin legislation to protect economic stability and the role of community banks including limits on issuer activities and affiliations, stronger master account prohibition language, and barring issuance by Big Tech and other commercial firms.

**Major Tax Legislation.** The expiration of provisions of the 2017 Tax Cuts and Jobs Act at the end of 2025 will trigger broader tax legislation. ICBA is positioning itself to obtain additional tax relief for community banks and to protect them and their customers from any tax increases. ICBA priorities include extension of expiring provisions, enactment of ACRE (see below), and taxation of larger credit unions. ICBA will fight any offsets that would increase taxes for community banks or their customers.

**Challenges to 1071 Rule and Statute.** ICBA continues to oppose the CFPB’s 1071 rule—which requires lenders to collect and report personal data on small business credit applicants. ICBA intervened in a suit against the CFPB for exceeding its statutory authority and acting arbitrarily and capriciously. On February 7, 2025, a U.S. Court of Appeals temporarily paused the rule and extended its compliance deadlines until further notice, as advocated by ICBA. The CFPB has separately announced in a court filing that its leadership has directed staff to initiate a new rulemaking. In Congress, ICBA supports the “1071 Repeal to Protect Small Business Lending Act,” sponsored by Rep. Roger Williams. Short of full statutory repeal, the law would be significantly improved by House Financial Services Chairman French Hill’s “Small LENDER Act” (H.R. 941), which would reform 1071 so that fewer community banks must comply.

- ICBA has developed customizable communications resources that community bankers can use to educate and engage their customers.

## Real Results For Your Bank

**Congress Repeals Overdraft Rule.** Both chambers of Congress have passed a resolution to overturn the CFPB rule on overdraft. The President is expected to sign the resolution into law. Repeal of the overdraft rule has been an ICBA priority. The CFPB rule would have capped fees at banks and credit unions with more than \$10 billion in assets, thereby harming customers and businesses that rely on overdraft.

**Agencies Reverse Course on Harmful Rules.** In March, the federal banking agencies announced that they would rescind their joint CRA rule which became final in 2023 and reinstate the prior framework. In addition, the FDIC rescinded three proposals opposed by ICBA: a brokered deposits rule that would have effectively classified more deposits as brokered and fewer deposits as core; a corporate governance rule that would have made it harder to recruit directors; and a prescriptive incentive-based compensation rule.

**Michelle Bowman Nominated for Fed Vice Chair for Supervision.** Bowman currently fills the Fed’s community banking seat, which was created by Congress at the urging of ICBA. She served as a fifth-generation community banker and as Kansas state bank commissioner before filling the community banking slot at the Fed. [ICBA and 44 affiliated state associations sent a letter to Treasury Secretary Bessent](#) urging Governor Bowman’s nomination to this important post.

**ACRE: Tax Incentives for Community Bank Agriculture and Home Loans.** ICBA is pressing for inclusion of the ACRE Act (H.R. 1822, S. 838) in broader tax legislation. This bill, which enjoys bipartisan support, would create a tax exclusion for interest income on loans secured by agricultural land and residential mortgages in rural communities.

**Support for Agriculture.** ICBA has recommended six key principles for a new Farm Bill and several legislative priorities. These include ample funding for commodity programs, rural broadband, and crop insurance. ICBA advocates for higher USDA guaranteed loan limits and quicker USDA loan approvals, while opposing Farm Credit System expansions for non-farm business lending, permitting FCS home loans in towns of 10,000 in population, and exemptions from Section 1071.

**ICBA Calls for Taxation of Larger Credit Unions.** At LIVE 2025 in March, ICBA adopted a policy resolution calling for repeal of the outdated tax exemption for credit unions with asset of \$1 billion or more. Large credit unions have increasingly abused and exploited their tax exemption and have become nearly indistinguishable from tax-paying banks. Credit union acquisitions of community banks reached a record high in 2024, distorting the competitive market and harming consumers and small businesses. 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.

**Updating Regulatory Thresholds.** ICBA is working with Congress to update asset thresholds for the application of regulatory mandates across the board. Tiered regulation, with appropriate thresholds, recognizes the significant differences between community banks and large, complex institutions in terms of the risks they pose to consumers and to the financial system. Threshold relief has not kept pace with industry consolidation and the increasing average asset size of banks.

**ICBA Check Fraud Task Force.** The task force, composed of more than 40 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.

- ICBA has published: “[Check Fraud: A Practical Guide to Altered, Forged, and Counterfeit Checks for Community Bankers.](#)”

**Restricting the Sale of “Trigger Leads.”** ICBA is supporting bipartisan legislation in the House and Senate (H.R. 2808 and S. 1467 in the last Congress) which 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.

**Section 1033 Rule.** ICBA remains concerned with the CFPB’s final rule under Section 1033 of the Dodd-Frank Act, despite its exemption for community banks with assets of less than \$850 million, as advocated by ICBA. The rule requires non-exempt banks to create and maintain an API-enabled “developer portal” which non-bank fintechs and other third parties could use to access customer data, creating a threat to consumer data security and privacy. Banks cannot ensure the security protocols of potentially thousands of fintechs seeking access to their customers’ data. In addition, banks must be permitted to charge reasonable fees to third parties—who will financially benefit from access to customer data—in order to offset the significant costs of compliance with this rule.

- ICBA released an [Open Banking Guidebook](#) as a resource for community bank compliance with the new rule.

**Federal Housing Finance Agency, GSEs, FHLBS.** ICBA sent newly confirmed FHFA Director Bill Pulte a letter outlining ICBA’s priorities regarding the GSEs and the FHLBS. That letter made the following recommendations:

- FHFA along with the Treasury should move to release the GSEs from conservatorship.
- FHFA should pause and reevaluate the credit score implementation project.
- FHFA should pause and reconsider the over 50 recommendations from the “FHLB System at 100” report and not move forward with proposals that would focus the system away from its vital liquidity mission to community banks.