

**FDIC Special Assessment.** ICBA is supporting the FDIC proposal to exempt community banks with uninsured deposits of less than \$5 billion from a special assessment triggered by the failures of Silicon Valley Bank and Signature Bank. We estimate the ICBA-advocated carveout will save community banks approximately \$2.8 billion over two years.

- » ICBA and nearly 200 community bankers submitted comment letters in support of the proposal.

**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 system-wide 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.

**Congressional Challenge to 1071 Rule.** ICBA is supporting resolutions in the House and Senate (H.J.Res.85 and S.J.Res.32) that would use the Congressional Review Act to nullify the CFPB's final rule under Dodd-Frank Section 1071. While the resolution would face a presidential veto, should it pass the Congress, it will nevertheless help to highlight and advance community bank concerns with the final rule.

- » ICBA Chairman-elect Lucas White and ICBA banker Troy Peters testified before Congress in March about the unintended consequences of the rule ([Links here](#) and [here](#)).

**Federal District Courts Rule Against 1071 Rule.** Federal district courts in Texas, and more recently, Kentucky, have enjoined against the CFPB rule. The Texas ruling is limited to the parties in TBA v. CFPB, while the Kentucky ruling, while ambiguous in scope, appears to provide relief to all financial institutions nationwide. ICBA, the Independent Bankers Association of Texas, and Texas First Bank asked the U.S. District Court for the Southern District of Texas for a preliminary injunction that would apply nationwide. ICBA has also asked the CFPB to stay the effective date of its rule pending the Supreme Court decision on the bureau's constitutionality.

**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. This Congress, a bipartisan bicameral bill has been introduced, and ICBA is urging swift passage.
- » ICBA sponsored a Morning Consult poll showing that two-thirds of voters support giving state-legal cannabis businesses access to the banking system.

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

- » ICBA released a white paper titled: "[Climate Change Regulation on Community Banks: Risks of Choking Off Credit to America's Communities.](#)"

**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 brought within the regulatory perimeter. 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 will continue to work with regulators, policymakers, and standards-setting bodies to address serious risks to financial stability, consumer protection, and community bank lending.

- » ICBA has convened a Digital Assets Task Force 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 (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.** Amid a surge in credit union acquisitions of banks—including five in one week in August—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 staff also met with FDIC Vice Chairman Travis Hill to discuss the surge in acquisitions.

**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.

**SBA Lending and Nonbank Fintechs.** ICBA strongly opposes an SBA final rule that will allow nonbank fintechs to originate 7(a) loans thereby increasing fraud risk and defaults. ICBA is promoting legislation that would modify the SBA rule to address bankers’ concerns.

- » An ICBA witness [testified](#) in opposition to the rule before the House Small Business Committee hearing.

**Clawback of Bank Executive Compensation.** In June, the Senate Banking Committee advanced the RECOUP Act with strong bipartisan support. The bill would permit the FDIC to clawback executive compensation at failed banks for two years prior to the failure, including bonuses and profits from the sale of bank stock.

- » ICBA succeeded in exempting community banks with assets of less than \$10 billion and will work to lessen any impact on community banks as the legislation moves forward.

**Overdraft.** Congress and the regulators should carefully consider the unintended consequences of any new overdraft restrictions targeting so-called “junk fees,” a gross mischaracterization of the White House and CFPB. 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 and has conducted a lobbying and grassroots campaign against adverse legislation.

**CRA Modernization.** The federal banking agencies have jointly proposed a revised CRA rule that would create new data collection and reporting burdens for many community banks. ICBA is urging the agencies to make a set of recommendations that would ease community bank compliance. A final rule is expected before year-end 2023.

- » An ICBA witness testified before the House Financial Services Committee in July 2022.
- » ICBA submitted a comment letter to the agencies in August 2022.