

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.

- › 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 submitted a [comment letter](#) to the FDIC on August 19 objecting to the disproportionate impact the rate hike would have on community bank lending.
- › ICBA led a grassroots campaign that generated over 150 letters.

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.
- › In a joint effort with other trade groups, ICBA is raising concerns about draft House stablecoin legislation that would, among other provisions, allow non-bank issuers access to Federal Reserve accounts.

Durbin Amendment Expansion Legislation. ICBA is opposing legislation that would create new credit card routing mandates that expand on the Durbin Amendment’s interchange restrictions. While the Credit Card Competition Act of 2022 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 opposition includes a [national news release](#), [letters to the Senate and House](#), joint financial services trade opposition letters, and a [Main Street Matters Blog Post](#).

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 and has conducted a lobbying and grassroots campaign against adverse legislation.
- › In July, the House Financial Services Committee passed legislation containing overdraft restrictions. ICBA will strongly oppose this legislation if it advances to the House floor.

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.





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.

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 took out full-page print and digital ads in regional editions of USA Today calling on Congress to investigate credit unions. 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; and a digital advertising campaign that resulted in over 725,000 views.

SBA Direct Lending. ICBA is opposing legislative and agency proposals for SBA direct 7(a) lending. Such proposals 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 Agriculture and Home Loans. 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 sponsored a Morning Consult poll showing that two-thirds of voters support giving state-legal cannabis businesses access to the banking system.

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 give banks with assets of \$10 billion or less the option of applying any new framework or continuing to be evaluated under the current framework as well as to raise the thresholds for “intermediate small banks” and “small banks,” among other recommendations.

- » An ICBA witness testified before the House Financial Services Committee in July.
- » ICBA submitted a [comment letter](#) to the agencies in August.

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.

- » ICBA will lobby for a robust Farm Bill in 2023.