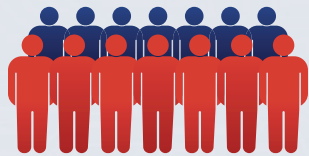




The Independent Community Bankers of America® creates and promotes an environment where community banks flourish.

Community banks have nearly 50,000 locations nationwide



Community banks employ nearly 700,000 Americans



Community banks constitute 99% of all banks



Community banks are the only physical banking presence in one in five U.S. counties

**\$5.9 TRILLION**

**ASSETS**

**\$4.9 TRILLION**

**DEPOSITS**

**\$3.5 TRILLION**

**LOANS**

Loans created for consumers, small businesses, and the agricultural community



Community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation, and fueling their customers' dreams in communities throughout America.



INDEPENDENT COMMUNITY BANKERS of AMERICA®



# LEGISLATIVE PRIORITIES

SPRING 2022

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# LEGISLATIVE PRIORITIES

## CAPITAL SUMMIT 2022 LOBBY ISSUES

Community banks promote a vibrant, innovative, and competitive industry in service of consumers, small businesses, and the broad economy. We serve rural, suburban, and urban markets. The issue positions outlined below will advance this mission.

## SBA DIRECT LENDING HAS A POOR TRACK RECORD

» Community banks and other small business lenders in every market nationwide have the expertise, resources, and local knowledge to reach small businesses with credit needs.

» SBA direct lending has been tried and has failed. SBA direct programs have been rife with fraud and have required a taxpayer subsidy that is 10 to 15 times higher than programs that work in partnership with banks.

- ✔ [Cosponsor legislation \(H.R. 6037/S. 3382\) to prevent SBA direct lending.](#)

## TAX FAIRNESS TO PROMOTE RURAL PROSPERITY

» The prosperity of American farmers and ranchers is critical to rural economies.

- ✔ [Support the ECORA Act \(H.R. 1977/S. 2202\), which will provide lower interest rates and better terms on rural loans by providing that interest on bank loans secured by farmland and homes in rural communities is tax exempt.](#)

## SAFE HARBOR FOR LEGAL CANNABIS BANKING

» It is critically important for public safety that cannabis-related businesses, as well as those businesses that provide ancillary services to such businesses, have access to the traditional banking system.

» The SAFE Banking Act (H.R. 1996/S. 910) would create a federal safe harbor for banking legal cannabis-related businesses. The House has passed the SAFE Banking Act six times.

- ✔ [The Senate should pass H.R. 1996 without further delay.](#)

## CLOSE INDUSTRIAL LOAN COMPANY (ILC) LOOPHOLE

» ILCs are the functional equivalent of full-service banks without appropriate federal oversight. Congress has left open a dangerous loophole in safety and soundness oversight now being exploited by large tech companies that will unfairly alter the financial landscape under lighter regulatory oversight.

- ✔ [We urge your support for the Close the ILC Loophole Act \(H.R. 5912\) to preserve America's longstanding separation of banking and commerce.](#)

## CREDIT UNIONS AND FARM CREDIT SYSTEM LENDERS

» Oversight failures and permissive regulation at the National Credit Union Administration (NCUA) and the Farm Credit Administration (FCA) have created multi-billion-dollar, tax-subsidized institutions that are the functional equivalent of commercial banks, competing in the same markets, for the same customers, offering the same services.

- ✔ [Support congressional review of the NCUA and the FCA and modernization of the tax code to restore a balanced and competitive financial landscape that protects consumers, serves small businesses, and enhances revenue for federal, state, and local governments.](#)

## CONGRESSIONAL OVERSIGHT OF DIGITAL ASSETS

» Decentralized Finance (DeFi) and digital assets of all kinds – including cryptocurrencies and stablecoins – are growing rapidly in an unregulated market. Regulation is needed to address serious risks to financial stability, national security, and consumer protection.

» An inclusive dialogue among all parties – including community banks – is needed to find the right balance between innovation and the risks associated with digital assets.

- ✔ [ICBA opposes the introduction of a U.S. Central Bank Digital Currency \(CBDC\). A CBDC would divert deposits from community banks to the Federal Reserve. These deposits are needed to fund local lending. Congress should examine the risks and unintended consequences associated with a CBDC.](#)