August 3, 2026

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Rescission of the Climate-Related Disclosure Rule [File No. S7-2026-19]

Dear Ms. Countryman:

The Independent Community Bankers of America ("ICBA")[1] strongly supports the Securities and Exchange Commission's ("the SEC" or "the Commission") proposed rescission of climate-related disclosure rules ("the Proposed Rescission").[2] ICBA is deeply concerned the SEC's 2024 final rule[3] to enhance and standardize climate-related disclosures for investors prevents and discourages current and future publicly held community bank registrants from participating in the public capital markets. Fully rescinding the 2024 final rule is the only way to cure the flawed climate disclosure rule. As explained more fully below, ICBA supports the Proposed Rescission for the following reasons: (I) the 2024 final rule imposed unreasonable costs on community bank registrants; (II) the 2024 final rule exceeded the SEC's statutory authority; and (III) the 2024 final rule was not based on reasoned decision-making.

I. The 2024 final rule imposed unreasonable costs on community bank registrants.

As ICBA previously shared in comments to the Commission[4], the staggering and unprecedented costs imposed by the 2024 final rule are untenable for community bank registrants to manage and will discourage community

[1] *The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation's community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America's community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers' financial goals and dreams.*

[2] Securities and Exchange Commission, *Rescission of Climate-Related Disclosure Rules* (June 3, 2026) RIN 3235-AN76, 91 FR 33296, available at: https://www.federalregister.gov/documents/2026/06/03/2026-11091/rescission-of-climate-related-disclosure-rules.

[3] Securities and Exchange Commission, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (April 12, 2024) RIN 3235-AM87, 89 FR 25804, available at: https://www.federalregister.gov/documents/2024/04/12/2024-07648/the-enhancement-and-standardization-of-climate-related-disclosures-for-investors-delay-of-effective.

[4] ICBA comments in response to Securities and Exchange Commission, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (April 11, 2022) RIN 3235-AM87, 87 FR 21334, available at: https://www.icba.org/w/letter-on-investor-climate-disclosures.

banks from participating in the public capital markets. Unfortunately, as applied to community bank registrants, the 2024 final rule is only superficially tiered or scaled, because the Commission's criteria for exceptive relief is tied to SEC filing status, not bank asset size. While the 2024 final rule exempts "smaller reporting companies"[5] from some of the most onerous aspects of the Proposal, a significant number of community banks do not satisfy the criteria for smaller reporting companies based on their revenues and public float. As such, the 2024 final rule subjects some of the nation's smallest community bank registrants (some with as few as $5 billion in total consolidated assets) to the same rigorous disclosure framework as the nation's largest, most systemically complex institutions (those with more than $3.3 trillion in total consolidated assets). No matter how well-intended the SEC's climate initiatives may have been, the "one-size-fits-all" costs required by the 2024 final rule negatively impact community banks, their Main Street customers, investors, and the local economies community banks proudly serve.

II. The 2024 final rule exceeded the SEC's statutory authority.

ICBA is concerned the 2024 final rule strays from the SEC's statutory mandate and assumes responsibility for climate oversight belonging to other agencies, such as the Environmental Protection Agency, without any Congressional directive to do so.[6] The SEC's use of a disclosure framework to broaden its authority to climate oversight and climate disclosure enforcement is legally questionable, appears to be politically motivated, and disproportionately affects the community bank registrants the SEC regulates. To avoid the likely effect that financial institutions of all sizes may be incentivized to "choke-off" lending to and investments in companies that are engaged in lawful but climate-disfavored industries to avoid or minimize climate-disclosure burden, the SEC should fully rescind the 2024 final rule.

III. The 2024 final rule was not based on reasoned decision-making.

The 2024 final rule is extraordinarily broad and requires disclosure of speculative climate-related risks; climate-related effects on strategy, business model and outlook; board and management oversight of climate-related issues; processes for identifying, assessing, and managing climate risks; plans for transition; financial statement metrics related to climate; greenhouse gas ("GHG") emissions; and climate targets and goals. The 2024 final rule requires community bank registrants to evaluate climate-related risks in virtually every aspect of bank

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[5] The Commission's regulations define a "smaller reporting company" as an issuer that is not an investment company, an asset-backed issuer, or a majority owned subsidiary of a parent that is not a smaller reporting company and that (1) had a public float of less than $250 million; or (2) had annual revenues of less than $100 million for the previous year and either (i) no public float; or (ii) a public float of less than $700 million. *See* 17 CFR 299.10(f)(1), 230.405, and 17 CFR 240.12b-2.

[6] *See* Joseph A. Grundfest, *The SEC is Heading Toward a Climate Train Wreck*, Washington Post (April 5, 2022) where former SEC Commissioner Grundfest observes, "courts could easily conclude that the SEC lacks statutory authority to mandate greenhouse gas (GHG) disclosures. That authority might instead belong to the Environmental Protection Agency. The logic supporting this conclusion is simple. Not a word in federal securities law- or the in the legislative history of those laws- speaks to climate disclosures. The SEC's authority to mandate disclosures relies entirely on inference from those sources. Those inferences are solid, strong, and sensible, and would likely carry the day but for one uncomfortable fact that the commission's proposal assiduously ignores: In 1974, Congress passed the Clean Air Act, which expressly delegates authority to the EPA to mandate GHG emission disclosures."

operations and risk management and collect climate data directly from their customers (the vast majority of whom, as small, privately held businesses and households, do not collect GHG information).

While community banks typically are not the primary source of financing for large energy producing companies, they do provide the majority of small business credit in those communities where energy production, refinement, transportation and other ancillary businesses exist. To the extent the 2024 final rule reinforces a regulatory strategy to choke off lawful but climate disfavored industries or businesses from the financial system, the 2024 final rule paradoxically accelerates the same transition risks the SEC seeks to avoid.

IV. Conclusion.

As stewards of their local communities, community bankers have every incentive to ensure their lending practices support the long-term prosperity of their local economies. Community banks cannot flourish without the success of their local communities because their customers and loan portfolios are geographically concentrated within the local markets these community banks serve. The risks of economic shocks, customer displacement and damaged collateral (risks the 2024 final rule characterizes in the context of climate change as "transition risks" and "physical risks") are not novel risks for community banks to manage. But history has shown that because community banks are experts in managing their risks, community banks and their investors are not harmed simply because climate-related financial risks exist. ICBA supports the SEC's proposal to rescind its climate disclosure rule, as full rescission of the 2024 final rule will relieve community banks from significant cost and compliance burdens that negatively impact their Main Street customers.

Should you wish to discuss our positions in further detail, please feel free to contact Jenna Burke at jenna.burke@icba.org.

Sincerely,

/s/ Jenna Burke
EVP, General Counsel, Government Relations
Independent Community Bankers of America