

March 6, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Re: Support for Inclusion of House-Passed Community Bank Provisions in ROAD to Housing Act (S. 2651)

Dear Majority Leader Thune and Minority Leader Schumer:

On behalf of the Independent Community Bankers of America (ICBA), the undersigned state banking associations, and the thousands of community banks we represent, we write to thank you for your work in advancing the ROAD to Housing Act (S. 2651) to spur home construction nationwide, promote housing affordability, and help alleviate the housing crisis.

As the Senate considers this legislation, we strongly urge the inclusion of the community bank regulatory relief provisions from the House-passed bill, *Housing for the 21st Century Act* (H.R. 6644), which garnered overwhelming bipartisan support with a vote of 390 – 9. These provisions (Title VI of H.R. 6644), “Strengthening Community Banks’ Role in Housing,” would alleviate burdensome regulations on community banks, enabling them to better serve local families, small businesses, and underserved communities without compromising financial stability.

The provisions of Title VI of H.R. 6644, each bipartisan and ICBA-supported, include:

- The Community Bank Deposit Access Act (H.R. 5317) would allow custodial deposits to be held by community banks without being considered brokered deposits, provided the custodial deposits do not exceed 20 percent of the banks’ total liabilities. Brokered deposits are subject to certain capital and interest-rate restrictions. This provision would help community banks maintain lower funding costs, expand lending opportunities, and serve their communities by attracting stable, low-cost funding.
- The Keeping Deposits Local Act (H.R. 3234) would raise the percentage threshold of reciprocal deposits that may be held by a bank without being considered brokered deposits. Reciprocal deposits are swapped among banks participating in a network and result in higher aggregate levels of deposit insurance coverage. Raising the percentage of reciprocal deposits allowed would assist banks approaching the current-law threshold and support lending needs.
- The SMART Act (H.R. 4437) would provide well-managed and well-capitalized financial institutions under \$6 billion in assets with regulatory relief, such as alternating limited-scope examinations and a combined safety-and-soundness exam and consumer compliance exam. We believe these reforms provide exam relief without compromising safety and soundness.
- The TRUST Act (H.R. 4478) would allow banks with up to \$6 billion in assets to qualify for an 18-month exam cycle. As with the SMART Act, this section would allow more community banks to direct more resources toward serving their communities.
- The Advancing the Mentor-Protégé Program for Small Financial Institutions Act (H.R. 3709) would establish a Treasury Financial Agent program enabling partnerships between Minority Depository Institutions (MDIs), rural community banks, and other financial institutions. This legislation reinforces and supports the critical role MDIs and rural community banks serve as a lifeline in their communities, providing tailored financial products, and fostering greater economic growth

- The American Access to Banking Act (H.R. 4544) would promote the formation of de novo community banks by streamlining the application process and provide for review of capital raising. A separate provision, based on the Promoting New Bank Formation Act, would create a two-year pilot program to promote the creation of de novo banks, especially in rural areas, by providing more regulatory, capital and lending flexibility for these banks.
- The Rural Depositories Revitalization Study Act (H.R. 6536) would require the Federal banking agencies to study improving the growth, capital adequacy, and profitability of rural depository institutions.

These provisions would provide meaningful regulatory relief for community banks and strengthen them to provide more credit for housing, small businesses, families, and other purposes.

Thank you for your support for housing affordability and community banks. We urge you to consider including the bipartisan community bank provisions discussed above.

Sincerely,

Independent Community Bankers of America
 Arizona Bankers Association
 California Community Banking Network
 Connecticut Bankers Association
 Community Bankers Association of Georgia
 Community Bankers Association of Illinois
 Community Bankers of Iowa
 Bluegrass Community Bankers Association
 Maine Bankers Association
 Massachusetts Bankers Association, Inc.
 BankIn Minnesota
 Missouri Independent Bankers Association
 Nebraska Independent Community Bankers

New Jersey Bankers Association

Independent Bankers Association of
 New York State
 Independent Community Banks of North Dakota
 Community Bankers Association of Oklahoma
 Pennsylvania Association of Community Bankers
 Independent Community Bankers of
 South Dakota
 Independent Bankers Association of Texas
 Virginia Association of Community Banks
 Community Bankers of West Virginia
 Wyoming Bankers Association

Alabama Bankers Association
 Arkansas Community Bankers
 Independent Community Bankers of Colorado
 Florida Bankers Association
 Idaho Bankers Association
 Indiana Bankers Association
 Community Bankers Association of Kansas
 Louisiana Bankers Association
 Maryland Bankers Association
 Community Bankers of Michigan
 Mississippi Bankers Association
 Montana Independent Bankers
 Community Bankers Association of
 New Hampshire
 Independent Community Bankers Association of
 New Mexico
 North Carolina Bankers Association
 Community Bankers Association of Ohio
 Oregon Bankers Association
 Independent Banks of South Carolina
 Tennessee Bankers Association
 Vermont Bankers Association, Inc.
 Community Bankers of Washington
 Wisconsin Bankers Association

CC: Members of the United States Senate