



ICBA Capital Summit

April 29–May 1, 2026 | Washington, D.C.

ICBA Legislative Update:

Support Legislation to Promote Community Bank Formation, Growth, and Tiered Regulation

Overview:

Community bank regulatory relief legislation is gathering strong, bipartisan momentum in Congress. The House passed major housing legislation with a community bank title, “Strengthening Community Banks’ Role in Housing,” with 390 votes on February 9th. However, the community bank title was not included in the Senate-passed version of the legislation. ICBA is pressing for its inclusion in the final House–Senate housing bill, *The 21st Century ROAD to Housing Act* (H.R. 6644).

A second package, the Main St. Capital Access (H.R. 6955), which includes more than two dozen pro-community bank regulatory relief measures, passed the House Financial Services Committee Chairman French Hill in March. Additional bills have been introduced in the Senate with bipartisan sponsorship.

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Legislation

House-passed housing legislation, ***The Housing for the 21st Century Act***, includes the following bills in Title VI, “Strengthening Community Banks’ Role in Housing”:

- The Community Bank Deposit Access Act, sponsored by Chairman French Hill (R-AR), which 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. This treatment would be available to banks of less than \$10 billion in assets with a strong composite rating (“outstanding” or “good”) that are well-capitalized or have obtained a waiver from the FDIC.
- The Keeping Deposits Local Act, sponsored by Rep. Tom Emmer (R-MN), would raise the percentage threshold of reciprocal deposits that may be held by a bank without being considered brokered deposits. Currently, a community bank may exclude the lesser of \$5 billion in reciprocal deposits or 20 percent of its total liabilities from being treated as brokered deposits. The bill would create a scale of tiered thresholds according to bank-asset levels. Community banks would be able to treat 30 to 50 percent of liabilities as non-brokered.
- The SMART Act, sponsored by Representatives William Timmons (R-SC) and Bill Foster (D-IL), would provide well-managed and well-capitalized financial institutions under \$6 billion in assets with exam relief, such as alternating limited-scope examinations and a combined safety-and-soundness exam and consumer compliance exam.

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KEY TALKING POINTS

- Support including “Strengthening Community Banks’ Role in Housing,” Title VI of House-passed bill, in the final House-Senate bill, The 21st Century ROAD to Housing Act (H.R. 6644).
- Support the Main St. Capital Access Act.
- These bills would provide meaningful regulatory and capital relief and promote tiered regulation to strengthen community banks to better serve their communities.

For up-to-date information on cosponsorship of these bills, see this link.





- The TRUST Act, sponsored by Representatives Tim Moore (R-NC) and Ritchie Torres (D-NY), would allow well-managed and well-capitalized banks with up to \$6 billion in assets to qualify for an 18-month exam cycle.
- Based the Promoting New Bank Formation Act, sponsored by Chairman Andy Barr (R-KY), 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 above provisions are not included in the Senate-passed, counterpart bill, ***The 21st Century ROAD to Housing Act (H.R. 6644)***.

The Main St. Capital Access Act (H.R. 6955), sponsored by Chairman French Hill (R-AR), contains more than two dozen pro-community bank measures including:

- The FAIR Exams Act, sponsored by Chairman Hill, would create an independent review of adverse exam findings as well as better transparency and accountability.
- The Community Bank LIFT Act, sponsored by Representative Young Kim (R-CA), would lower the range for the community bank leverage ratio, or CBLR, to between 6 and 8 percent and make it available to banks with up to \$15 billion in assets.
- The TAILOR Act, sponsored by Representative Barry Loudermilk (R-GA), would promote tiered regulation based on a bank's risk profile and business model.

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