One Mission. Community Banks.

July 2026

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. Congress recently passed major housing legislation with a community bank title, "Strengthening Community Banks' Role in Housing," with overwhelming bipartisan majorities. The bill includes relief for custodial and reciprocal deposits, an 18-month exam cycle for well-managed and well-capitalized financial institutions under $6 billion in assets, and provisions to promote the formation of de novo banks.

The focus has shifted to the Main St. Capital Access (H.R. 6955), which includes more than two dozen pro-community bank regulatory relief measures and passed the House Financial Services Committee in March. House leadership may schedule a floor vote as early as July.

The Main St. Capital Access Act (H.R. 6955)

Sponsored by House Financial Services Chairman French Hill (R-AR), this bill 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.
- 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.
- The Promoting New Bank Formation Act, sponsored by Chairman Andy Barr (R-KY), would promote the creation of de novo banks, especially in rural areas, by providing more regulatory, capital and lending flexibility for these banks.

Talking Points

- 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.