

Look-Ahead to 2026: Legislative and Agency Agenda.

The new year holds high stakes for the community banking industry in Washington. ICBA will work with Congress and the agencies to complete work on community bank regulatory relief and block adverse proposals, building on the success of 2025. Details are provided below.

Digital Assets Regulatory Frameworks. ICBA directly engaged with Congress on proposals developing regulatory frameworks for stablecoins and the broader digital assets market for several years. The [GENIUS Act](#) (S. 394), which became law in July 2025, included ICBA-advocated provisions to preserve existing policy on Federal Reserve master accounts, disallow payment of yield or interest by stablecoin issuers, and provide a pathway for bank issuance. ICBA will continue to advocate for community banks during the GENIUS implementation process. ICBA is also engaging with Congress on digital assets market structure legislation, including advocating for the expansion of the prohibition on offering yield and interest on payment stablecoins to include affiliates, exchanges and other digital assets intermediaries to protect against the migration of deposits that fund local lending. The House passed the CLARITY Act (H.R. 3633) in July. The Senate is currently drafting its version, the Responsible Financial Innovation Act.

- ICBA has released a [new quantitative analysis](#) showing that stablecoins could reduce deposits by \$1.3 trillion and reduce lending by \$850 billion.
- ICBA is promoting a [grassroots campaign](#) asking Congress to ensure that all digital assets market participants are prohibited from offering yield, interest, or rewards on payment stablecoins.

Challenges to 1071 Rule and Statute. In November, the [CFPB proposed favorable revisions to its final 2023 rule](#), which requires lenders to collect and report personal data on small business credit applicants. The revisions would provide more favorable thresholds resulting in fewer community banks and small businesses being subject to the rule and the collection of fewer data points. A court injunction against the 2023 rule will remain in effect until the CFPB finalizes its revised rule and the court lifts the injunction. In Congress, ICBA supports the “1071 Repeal to Protect Small Business Lending Act,” (H.R. 976/S. 557)) sponsored by Rep. Roger Williams and Sen. John Kennedy. Short of full statutory repeal, the law would be significantly improved by House Financial Services Chairman French Hill’s “Small LENDER Act” (H.R. 941), and Senator Katie Britt’s PROTECTED Act (S. 2352), which would reform 1071 so that fewer community banks must comply.

- ICBA has developed customizable communications resources that community bankers can use to educate and engage their customers.

Deposit Insurance Before Congress. ICBA’s Deposit Insurance Working Group created a [set of principles for reform](#). ICBA is engaging with Congress to ensure that any legislation protects the interests of community banks and addresses the problem of TBTF implicit guarantees. ICBA has expressed [support for the Main Street Depositor Protection Act \(S. 2999\)](#), which would provide additional coverage for transaction accounts at all but the largest banks, while ensuring that community banks incur no additional costs in the first 10 years.

Real Results For Your Bank

Trigger Leads Legislation Signed into Law.

Legislation that would restrict credit reporting agencies from the sale of consumers’ contact information when they apply for a residential mortgage (“trigger leads”) was signed into law on September 5th and becomes effective March 2026. Trigger leads compromise consumer privacy, create a flood of unwanted solicitations, and create consumer confusion. ICBA played a critical role in passing this legislation.

Permanent Tax Relief Signed into Law. On July 4th, the One Big Beautiful Bill Act was signed into law by the President. The new permanently extends provisions of the Tax Cuts and Jobs Act, including individual rates, the estate tax, and the Section 199A deduction for Subchapter S banks. A version of ACRE is included (a 25 percent exclusion for loans secured by agricultural land). The new law includes additional pro-growth provisions and raises support prices for farm commodities.

Congress Repeals Overdraft Rule. Congress has passed and the President has signed a resolution to overturn the CFPB rule on overdraft. The President is expected to sign the resolution into law. Repeal of the overdraft rule has been an ICBA priority. The CFPB rule would have capped fees at banks and credit unions with more than \$10 billion in assets, thereby harming customers and businesses that rely on overdraft.

ACRE Implementation. With the enactment of ACRE as part of the One Big Beautiful Bill, ICBA has met with senior Treasury officials to ensure the implementing rules qualified that greatest number of agricultural loans, consistent with the statute. In November, Treasury issued [largely favorable interim guidance](#), consistent with our advocacy. Comments are on the interim guidance are due January 20.

Support for Agriculture. ICBA has recommended six key principles for a new Farm Bill and several legislative priorities. These include ample funding for commodity programs, rural broadband, and crop insurance. ICBA advocates higher USDA guaranteed loan limits and quicker USDA loan approvals. We oppose Farm Credit System expansions for “essential community facilities and 75 ownership of rural business investment corporations” (both are for non-farm business lending), FCS home loans in towns of 10,000 population and financing businesses that tangentially serve aquaculture and reduced FCS regulatory compliance (exemption from Section 1071, etc.).

ICBA Presses Campaign Against Large Credit Unions. ICBA released the [results of a new data analysis](#) demonstrating that the growing trend of credit union-community bank acquisitions is harming small businesses and local communities and that community banks outperform credit unions in high-poverty areas. Large credit unions have increasingly abused and exploited their tax exemption and have become nearly indistinguishable from tax-paying banks, a trend that demands policymakers’ attention. ICBA calls for repeal of the outdated tax exemption for credit unions with assets of \$1 billion or more.

House to Advance Community Bank Regulatory Relief Bills. House Financial Services Committee Chairman French Hill will advance to the House floor the [Main Street Capital Access Act \(H.R. 6955\)](#), a package of bills that have passed his committee. Provisions include lowering the range for the Community Bank Leverage Ratio to between 6 and 8 percent and making it available to banks with up to \$15 billion in assets, an 18-month exam cycle for banks with assets of up to \$6 billion, independent review of adverse exam findings, capital flexibility for de novos, and tailoring of rules based on risk profile and business model. ICBA is pressing the Senate to take up similar legislation.

FDIC Proposes Regulatory Relief. The FDIC proposed lowering the Community Bank Leverage Ratio from 9 percent to 8 percent in addition to other changes that will make it easier for community banks to use. We expect the OCC to issue a similar proposal soon. (As noted above, ICBA also supports legislation to further lower the CBLR.) The agency also finalized a rule updating audit and reporting thresholds under the Federal Deposit Insurance Corporation Improvement Act (FDICIA) so that they apply to fewer community banks. Both of these changes were long advocated by ICBA, including a recent grassroots campaign for the FDICIA revisions.

Bank Secrecy Act Relief. ICBA and all 44 state affiliates [sent a letter to Treasury Secretary Bessent](#) to urge him to raise the CTR threshold to \$30,000 and the SAR threshold to \$10,000. ICBA reiterated this request in a subsequent meeting with senior Treasury officials. ICBA also supports legislation to raise these thresholds.

ICBA Fraud and Scams Task Force. The task force, composed of more than 50 community banks and state bankers’ associations, was created to explore solutions to prevent, detect, and mitigate check fraud. The task force is just one component of ICBA’s broader strategy to work with stakeholders in Congress, the agencies, law enforcement, and industry to reduce the burden of fraud and scams, including check fraud.

- ICBA has published: [“Check Fraud: A Practical Guide to Altered, Forged, and Counterfeit Checks for Community Bankers”](#) as well as several other guides.
- ICBA submitted a statement for a recent House Financial Services Committee hearing on fraud.

Dodd-Frank Section 1033 Rule. In August, the CFPB issued a proposed rule seeking recommendations for changes to the 1033 rule. While the final rule exempts community banks with assets of less than \$850 million, as advocated by ICBA, it requires non-exempt banks to create and maintain an API-enabled “developer portal” which non-bank fintechs and other third parties could use to access customer data, creating a threat to consumer data security and privacy. Moreover, banks are not permitted to charge reasonable fees to third parties to offset the significant costs of compliance with this rule. ICBA sent a comment letter to the Bureau.

- ICBA released an [Open Banking Guidebook](#) as a resource for community bank compliance with the new rule.