

CFPB Overdraft Proposal. The Consumer Financial Protection Bureau issued a [proposed rule](#) on overdraft. While we broadly oppose price controls and caps imposed by any regulatory agency, and believe that restrictions on deposit account fees have a negative ripple effect on customers and businesses that rely on these services, ICBA is [encouraged](#) that the proposal exempts community banks with less than \$10 billion in assets and will strongly advocate tiered regulation without fee caps for community banks over \$10 billion.

Durbin-Marshall Amendment Expansion Legislation. ICBA opposes legislation to create new credit card routing mandates, expanding on the Durbin Amendment's interchange restrictions. While the Credit Card Competition Act (S. 1838 and H.R. 3881) is designed to apply to banks with over \$100 billion in assets, community banks would be forced to subsidize costly systemwide changes that would put customer data at risk.

- ICBA released polling which shows that a substantial bipartisan majority of voters oppose the Durbin proposal, which could end credit card reward programs.

Strong Support for ILC Loophole Bill. The industrial loan company (ILC) loophole allows big tech and commercial companies to own essentially full-service FDIC-insured banks while evading holding company supervision. ICBA is promoting bipartisan legislation that would close the ILC loophole, grandfather existing ILCs, and address pending applications.

- The Close the Shadow Banking Loophole Act (S. 3538) was advanced in the Senate in December by a bipartisan group of Senators, led by Chairman Brown (D-OH) and Senator Kennedy (R-LA). Chairman Brown designated S. 3538 as "priority legislation" for 2024.
- Last Congress, bipartisan legislation to close the ILC Loophole (H.R. 5912) passed out of the House Financial Services Committee.

Farm Bill and Support for Agriculture. ICBA is aggressively advocating for rural community bank priorities, recommending six key principles for a new Farm Bill, which is now in development. These priorities include ample funding for commodity programs, rural broadband, and crop insurance. ICBA also advocates for higher USDA guaranteed loan limits, a USDA Express program (loan approval within three days of submission), and other program enhancements. ICBA strongly opposes expansion of the Farm Credit System into non-farm lending activities.

Real Results For Your Bank

FDIC Special Assessment Relief. The FDIC finalized a special assessment triggered by the failures of Silicon Valley Bank and Signature Bank. In response to ICBA's advocacy, the assessment exempts community banks with uninsured deposits of less than \$5 billion, meaning these community banks will not pay a penny of the \$16.3 billion in special assessments collected by the FDIC.

Congress Rejects 1071 Rule. With strong bipartisan support, both the House and the Senate passed a resolution (S.J.Res.32) in the fall to nullify the CFPB's final rule under Dodd-Frank Section 1071. Though the President vetoed S.J.Res.32, its passage by Congress will nevertheless help to highlight and advance community bank concerns with the final rule.

Federal District Courts Rule Against 1071 Rule. Federal district courts in Texas and Kentucky have temporarily enjoined the CFPB from enforcing the rule against community banks. ICBA, the Independent Bankers Association of Texas, and Texas First Bank intervened in a lawsuit filed in the U.S. District Court for the Southern District of Texas and secured expanded injunctive relief from the 1071 rule for all community banks across the country.

Tax Incentives for Community Bank Agriculture and Home Loans. ICBA supports the ACRE Act (H.R. 3139, S. 2371), the successor to the ECORA Act of the last Congress. The Act, which enjoys bipartisan support, would create a tax exclusion for interest on loans secured by agricultural land and residential mortgages in rural communities.

Central Bank Digital Currency. ICBA opposes a U.S. CBDC which would compete with community bank deposits needed to fund local lending and undermine consumer privacy, among others.

- ICBA supports the CBDC Anti-Surveillance State Act (H.R. 5403), which would address many of ICBA's concerns with the creation of a CBDC. The bill passed the House Financial Services Committee on September 20.

Cannabis Banking. ICBA supports legislation that would create a safe harbor from federal sanctions for financial institutions that serve cannabis-related businesses in states where cannabis is legal.

- The SAFE Banking Act has passed the US House of Representatives seven times in previous Congresses. In September, the Senate Banking Committee passed similar legislation, the SAFER Banking Act (S. 2860).
- ICBA sponsored a Morning Consult poll showing that two-thirds of voter's support giving state-legal cannabis businesses access to the banking system.

Restricting the Sale of "Trigger Leads." ICBA is supporting bipartisan bills in the House (H.R. 2656 and H.R. 4198) and Senate (S. 3502) that would restrict credit reporting agencies from the sale of consumers' contact information when they apply for a residential mortgage. These "trigger leads" compromise consumer privacy, create a flood of unwanted solicitations, and create consumer confusion.

Crypto Assets, Decentralized Finance.

Unregulated crypto assets, including stablecoins, as well as decentralized finance (DeFi), threaten to disintermediate community banks and heighten risks for the wider economy and must be brought within the regulatory perimeter. ICBA strongly opposes efforts to grant nonbank stablecoin issuers access to the Federal Reserve master account and to license novel nonbank issuers not subject to the same regulation as community banks. ICBA will continue to work with regulators, policymakers, and standards-setting bodies to address serious risks to financial stability, consumer protection, and community bank lending.

- The House Financial Services Committee marked up the "Clarity for Payment Stablecoins Act" (H.R. 4766) in July. ICBA has concerns about certain provisions of this legislation and will continue to advocate for improvements to ensure a level playing field.
- ICBA has convened a Digital Assets Task Force to examine and deliberate issues related to a proposed CBDC and digital assets.

SBA Lending and Nonbank Fintechs. ICBA strongly opposes an SBA final rule that will allow nonbank fintechs to originate 7(a) loans thereby increasing fraud risk and defaults. ICBA is promoting legislation that would modify the SBA rule to address bankers' concerns.

- An ICBA witness [testified](#) in opposition to the rule before the House Small Business Committee hearing.

Section 1033 Exemption. ICBA is seeking accommodations for community banks in the implementation of its Dodd-Frank Section 1033 rule. Specifically, ICBA is urging the CFPB to exempt community banks with less than \$850 million in assets—"small businesses" as defined by the Small Business Administration—from a requirement to create and maintain a third-party developer interface. In addition, ICBA is asking the CFPB to permit banks to charge third parties a reasonable fee for providing access to consumer information. Section 1033 requires financial institutions to make available to consumers and authorized third parties' data relating to consumers' transactions and accounts.

Prescriptive and Intrusive FDIC Corporate Governance Proposal. In December, the FDIC proposed troubling "guidelines" that would raise the bar for the "independence" of board members, making it harder to recruit qualified directors and heighten liability risk for bank directors and officers, among other adverse changes. The proposal would apply to institutions with assets of \$10 billion or more, though the agency would reserve authority to apply it to smaller institutions.