



Community banks have nearly 50,000 locations nationwide



Community banks constitute 99% of all banks



Community banks employ nearly 700,000 Americans



Community banks are the only physical banking presence in one in three U.S. counties

**\$3.8T** Loans

Loans created for consumers, small businesses, and the agricultural community

**\$4.8T** Deposits

**\$5.8T** Assets



Community banks channel local deposits into the main streets and neighborhoods they serve, spurring job creation, fostering innovation, and fueling their customers' dreams in communities throughout America.



# 2024 Advocacy Priorities

## Support Closing the ILC Loophole

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.

## 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.

## 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 system-wide changes that would put customer data at risk. ICBA polling shows that a substantial bipartisan majority of voters oppose the Durbin proposal, which could end credit card reward programs.

## Challenges to 1071 Rule

While the Senate fell short of the two-thirds majority needed to override President Joe Biden’s veto of a bipartisan resolution to overturn the CFPB’s Section 1071 rule, the rule remains under a nationwide injunction until the courts decide on the constitutionality of the CFPB’s funding structure. ICBA continues opposing the rule—which requires lenders to collect and report personal data on credit applicants—including via customizable communications resources that community bankers can use to educate and engage their customers on the rule.

## Crypto Assets, Decentralized Finance

Unregulated crypto assets, including stablecoins and 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 Federal Reserve master accounts 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. ICBA has convened a Digital Assets Task Force to examine and deliberate issues related to digital assets and central bank digital currency proposals.

## ICBA Anti-Credit Union “Something’s Wrong” Campaign

Amid a surge in credit union acquisitions of banks—including five in one week in August— ICBA launched its “Something’s

Wrong” targeted digital ad campaign and website to highlight the harm done by the credit union industry’s aggressive and abusive exploitation of their tax exemption. ICBA staff also met with FDIC Vice Chairman Travis Hill to discuss the surge in acquisitions.

## 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 other concerns. ICBA supports the CBDC Anti-Surveillance State Act (H.R. 5403), which would prohibit the Federal Reserve Banks from offering products or services directly to individuals, maintaining individual accounts, or issuing a CBDC to individuals. The bill passed the House Financial Services Committee in September 2023.

## 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 SAFER Banking Act has passed the U.S. House of Representatives seven times in previous Congresses. This Congress, a bipartisan and bicameral bill has been introduced, and ICBA is urging swift passage. ICBA sponsored a Morning Consult poll showing that two-thirds of voters support giving state-legal cannabis businesses access to the banking system.

## 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.

## CRA Modernization

The federal banking agencies have issued a final rule to reform Community Reinvestment Act regulations. While the rule includes some beneficial changes, ICBA is concerned about disproportionate implementation costs for community banks. The rule also does not sufficiently differentiate between community banks and the nation’s largest banks. ICBA has repeatedly called on federal banking regulators to issue a uniform CRA final rule that minimizes new data collection and reporting burdens for community banks.

## Support for Agriculture

ICBA is working with lawmakers to include in the pending farm bill its proposal to speed up approval times for USDA loans. ICBA has expressed support for the USDA Express Loan Act (H.R. 5877), which would create a new loan guarantee program in which borrowers hear back from the USDA within 36 hours of submitting an application, with loans capped at \$1 million with a 50-75% guarantee. ICBA strongly opposes expansion of the Farm Credit System into non-farm lending activities. ICBA supports the ACRE Act (H.R. 3139/S. 2371), the successor to the ECORA Act of the last Congress. The bipartisan bill would create a tax exclusion for interest on loans secured by agricultural land and residential mortgages in rural communities.