

ICBA Promotes New Regulatory and Tax Agenda for the 119th Congress.

To capture opportunities presented by the new Administration and Congress, ICBA is promoting our “Repair, Reform, and Thrive: ICBA’s Plan for Powering Local Economies,” which includes aggressive streamlining of community bank regulations and meaningful tax relief to promote economic growth.

- As part of this initiative, ICBA sent our legislative agenda, “[Transforming Regulation for Growth](#),” to the new Congress.
- ICBA published a full-page ad in Politico to promote our agenda.

Digital Assets Regulatory Frameworks. ICBA has directly engaged with Congress on developing a regulatory framework for stablecoins for several years. This year, Congress is expected to pass bipartisan stablecoins legislation. In July, the House is expected to pass the Senate [GENIUS Act](#) (S. 394), which includes ICBA-advocated provisions to preserve existing policy on Federal Reserve master accounts, disallow payment yield or interest on stablecoins, and provide a pathway for bank issuance. In addition to the GENIUS Act, the House is considering the CLARITY Act (H.R. 3633), which would create a market structure for digital assets. This bill also creates a risk of community bank disintermediation, which ICBA is engaging with Congress to mitigate.

Trigger Leads Legislation Passes House and Senate.

Legislation that would restrict credit reporting agencies from the sale of consumers’ contact information when they apply for a residential mortgage (“trigger leads”) has now passed both the House and Senate. Before the legislation can be signed into law, a minor difference between the House and Senate version must be resolved. The House bill requires a GAO report, while the Senate bill does not. ICBA is pressing Congress to finalize the legislation as soon as possible. Trigger leads compromise consumer privacy, create a flood of unwanted solicitations, and create consumer confusion.

Challenges to 1071 Rule and Statute. ICBA continues to oppose the CFPB’s 1071 rule—which requires lenders to collect and report personal data on small business credit applicants. ICBA intervened in a suit against the CFPB for exceeding its statutory authority and acting arbitrarily and capriciously. On February 7, 2025, a U.S. Court of Appeals temporarily paused the rule and extended its compliance deadlines until further notice, as advocated by ICBA. 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), 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.

Real Results For Your Bank

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 deduction 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. Both chambers of Congress have passed 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.

Michelle Bowman Confirmed as Fed Vice Chair for Supervision. In early June, the Senate voted to confirm Michelle Bowman as Vice Chair for Supervision. Governor Bowman is a fifth-generation community banker and served as Kansas state bank commissioner before filling the community banking slot at the Fed, which was created at the urging of ICBA. [ICBA and 44 affiliated state associations sent a letter to Treasury Secretary Bessent](#) urging Governor Bowman’s nomination to be Vice Chair for Supervision.

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 for higher USDA guaranteed loan limits and quicker USDA loan approvals. We oppose Farm Credit System expansions for “essential community facilities” (non-farm business lending), FCS home loans in towns of 10,000 in population, FCS-only exemptions from Section 1071, majority ownership of rural business investment corporations, and financing businesses that tangentially serve aquaculture.

ICBA Calls for Taxation of Larger Credit Unions.

At LIVE 2025 in March, ICBA adopted a policy resolution calling for repeal of the outdated tax exemption for credit unions with asset of \$1 billion or more. Large credit unions have increasingly abused and exploited their tax exemption and have become nearly indistinguishable from tax-paying banks. Credit union acquisitions of community banks reached a record high in 2024, distorting the competitive market and harming consumers and small businesses.

Updating Regulatory Thresholds. ICBA is working with Congress to update asset thresholds for the application of regulatory mandates across the board. Tiered regulation, with appropriate thresholds, recognizes the significant differences between community banks and large, complex institutions in terms of the risks they pose to consumers and to the financial system. Threshold relief has not kept pace with industry consolidation and the increasing average asset size of banks.

ICBA Check Fraud Task Force. The task force, composed of more than 40 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 check fraud.

- ICBA has published: [“Check Fraud: A Practical Guide to Altered, Forged, and Counterfeit Checks for Community Bankers.”](#)

Dodd-Frank Section 1033 Rule. In June, the CFPB asked a federal court to vacate the agencies 1033 rule on the grounds that it was unlawful. 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 released an [Open Banking Guidebook](#) as a resource for community bank compliance with the new rule.

Federal Housing Finance Agency, GSEs, FHLBS.

ICBA sent newly confirmed FHFA Director Bill Pulte a letter outlining ICBA’s priorities regarding the GSEs and the FHLBS. That letter made the following recommendations:

- FHFA along with the Treasury should move to release the GSEs from conservatorship.
- FHFA should pause and reevaluate the credit score implementation project.
- FHFA should pause and reconsider the over 50 recommendations from the “FHLB System at 100” report and not move forward with proposals that would focus the system away from its vital liquidity mission to community banks.