

### 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 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, 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.

**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), 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.** The Senate is considering deposit insurance legislation that would provide additional coverage for transaction accounts at all but the largest banks. 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 submitted a statement](#) for a recent Senate Banking Committee hearing on this topic.

## 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 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.** 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 is pressing Treasury to ensure the implementing rules qualified that greatest number of agricultural loans, consistent with the statute. [ICBA sent a letter to the Treasury Secretary on this topic.](#)

**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.

**Legislation to Lower CBLR Advances.** In September, the House Financial Services Committee passed legislation (H.R. 5276) which would lower the range for the Community Bank Leverage Ratio (CBLR) from between 8 and 10 percent to between 6 and 8 percent. In addition, the bill would make the CBLR available to banks with up to \$15 billion in assets, while currently only banks with assets of up to \$10 billion may elect to use the CBLR framework.

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

#### **Federal Housing Finance Agency, GSEs, FHLBS.**

The new administration has expressed interest in releasing the GSEs from conservatorship, directing FHFA and Treasury to begin the process by reaching out to industry stakeholders. ICBA has participated in several of these sessions and will continue to make sure community banks will have a voice going forward. ICBA is working with FHFA and Treasury to end the conservatorship of the GSEs in an orderly and transparent manner, avoiding any disruption of the mortgage market.

- ICBA developed a set of principles for exiting conservatorship that includes an emphasis on the importance of full and equal access for all lenders regardless of size, serving all markets, maintaining the cash window, and a strong independent regulator.