



INDEPENDENT COMMUNITY  
BANKERS *of* AMERICA®



**SPRING 2023**

# LEGISLATIVE PRI RITIES

# SPRING 2023 LEGISLATIVE PRIORITIES

## DIFFERENTIATING COMMUNITY BANKS

- » Any policy responses from the banking agencies or Congress must recognize that community banks are fundamentally different than larger, more complex, systemically risky banks.
- » Community banks must be exempt from any new regulation or special assessment to replenish the deposit insurance fund (DIF) due to recent large bank failures.

## CFPB SMALL BUSINESS LOAN APPLICATION DATA COLLECTION RULE

- » The CFPB's final rule under Section 1071, published in March, is a missed opportunity to exempt community banks and limit the number of data points to be collected.
- ✔ Support Congressional Review Act (CRA) resolution to repeal the CFPB rule. The resolution was introduced by Reps. Roger Williams (R-TX), Andy Barr (R-KY), and Andy Ogles (R-TN).
- ✔ Support H.R. 1806/S. 1159 (Rep. French Hill/Sen. John Boozman) to exempt lenders that make fewer than 500 small business loans annually and narrow the definition of small business (less than \$1 million in annual gross revenues).
- ✔ Support H.R. 1810 (Rep. Blaine Luetkemeyer) to require a rulemaking to determine which data will be published.

## CONGRESSIONAL OVERSIGHT OF DIGITAL ASSETS

- » Decentralized Finance (DeFi) and digital assets of all kinds – including cryptocurrencies and stablecoins – are growing rapidly in an unregulated market. Regulation is needed to address serious risks to financial stability, national security, and consumer protection.
- ✔ ICBA opposes the introduction of a U.S. Central Bank Digital Currency (CBDC). A CBDC would divert deposits from community banks to the Federal Reserve.

## SUPPORT FOR AGRICULTURE / ACRE ACT

- » The Farm Bill must be reauthorized by Sept. 30, 2023.
- » Community bank priorities include higher guaranteed loan limits; robust crop insurance; adequately supporting commodity programs and funding for rural broadband.
- » ICBA strongly opposes further expansion of the tax and regulatory advantaged Farm Credit System.
- ✔ Support a Farm Bill that will strengthen America's rural communities.
- ✔ Support the ACRE Act, which will allow lower interest rates and better terms on rural loans by providing that interest on bank loans secured by farmland and homes in rural communities is tax exempt.

## OPPOSE CREDIT CARD ROUTING MANDATES

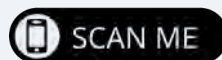
- » The Credit Card Competition Act would create complex new credit card routing mandates that would force an overhaul of the payments landscape at significant systemic cost – a cost ultimately borne by consumers and the community banks that serve them.
- » The legislation would benefit the largest “big-box” merchants, including Amazon, Walmart, and others at the expense of consumers.
- » ICBA polling shows that a substantial bipartisan majority of voters oppose the Durbin proposal, which could end credit card reward programs.
- ✔ Oppose the Credit Card Competition Act when it is reintroduced.

## CREDIT UNIONS AND FARM CREDIT SYSTEM LENDERS

- » Oversight failures and permissive regulation at the National Credit Union Administration (NCUA) and the Farm Credit Administration (FCA) have created multi-billion-dollar, tax-subsidized institutions that are the functional equivalent of commercial banks, competing in the same markets, for the same customers, offering the same services.
- ✔ Support congressional review of the NCUA and the FCA and modernization of the tax code to restore a balanced and competitive financial landscape that protects consumers, serves small businesses, and enhances revenue for federal, state, and local governments.

## CLOSE INDUSTRIAL LOAN COMPANY (ILC) LOOPHOLE

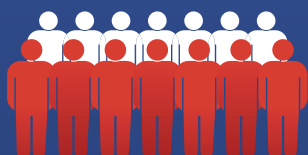
- » ILCs are the functional equivalent of full-service banks without appropriate federal oversight. Congress has left open a dangerous regulatory blind spot and loophole in safety and soundness oversight now being exploited by large tech companies that will unfairly alter the financial landscape under lighter regulatory oversight.
- ✔ We urge your support for legislation to close the ILC loophole to preserve America's longstanding separation of banking and commerce.



**Scan the QR code to  
access one pagers  
on each issue.**



Community banks have nearly 50,000 locations nationwide



Community banks employ nearly 700,000 Americans



Community banks constitute 99% of all banks



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

**\$5.8 TRILLION**

**ASSETS**

**\$4.8 TRILLION**

**DEPOSITS**

**\$3.8 TRILLION**

**LOANS**

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



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.