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January 21, 2026

The Honorable Andy Barr
Chairman
Financial Institutions Subcommittee
House Financial Services Committee
2430 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Barr:

The American Bankers Association (ABA)¹ writes today in support of H.R. 7056, the Community Bank Regulatory Tailoring Act, which is scheduled to be marked up by the House Financial Services Committee on January 22, 2026. We commend your leadership on this important issue.

For decades, many statutory thresholds have stayed fixed in nominal terms, even as the economy has grown. These thresholds were typically set during very different economic conditions and have not been updated to reflect significant changes in the banking sector over time. As a result, thresholds that once reflected meaningful distinctions in size, complexity, or risk now capture institutions that were never intended to be subject to more burdensome regulatory requirements. Ultimately this regulatory “drift” burdens institutions never meant to be captured, discourages organic growth, and dilutes regulatory resources.

This critical legislation would adjust and index several key community and mid-size bank thresholds to nominal GDP after a one-time increase to account for past inaction. Importantly, this bill includes thresholds related to activity limitations, reporting requirements, liquidity and resolution frameworks, and definitions that determine eligibility for community focused exemptions. Indexing is a low-cost, high-impact reform. That improves transparency, reduces arbitrary burdens, and allows regulators to focus on actual risk. Modernizing these thresholds would better align statutory requirements and the actual size, complexity, and risk profiles of the banking industry.

The ABA appreciates the Committee advancing this critically important legislation and urges all members to vote in support of H.R. 7056.

Sincerely,

A handwritten signature in black ink that reads 'Kirsten Sutton'.

Cc: Members of the House Financial Services Committee

¹ The American Bankers Association is the voice of the nation's \$25.1 trillion banking industry, which is composed of small, regional and large banks that together employ over 2 million people, safeguard \$19.7 trillion in deposits and extend \$13.2 trillion in loans.