

Date: July 22, 2025  
To: Members of the House Committee on Financial Services  
From: Kirsten Sutton, Executive Vice President, Congressional Relations & Legislative Affairs  
Re: ABA's Views on Legislation for the July 22 – 23, 2025, Full Committee Markup

On behalf of the members of the American Bankers Association (ABA),<sup>1</sup> please see below the Association's views on several bills scheduled for consideration by the Committee on July 22 – 23, 2025. We appreciate the opportunity to share our perspective on these measures.

The ABA supports the following bills noticed for the markup:

**H.R. 3390, the Bringing the Discount Window into the 21<sup>st</sup> Century Act**, led by Rep. Monica De La Cruz (R-TX), requires the Board of Governors of the Federal Reserve System to review its discount window lending programs, develop a remediation plan to address deficiencies and enhance effectiveness of the discount window, and implement the plan. ABA and its member banks understand and acknowledge that robust liquidity risk measurement, monitoring, and management are critical for making both individual banks and the U.S. financial system resilient. The discount window, established to help banks weather liquidity challenges, is an essential component of contingent liquidity risk management. Today, however, the discount window is operationally slow, confusing, and carries administrative burdens. To make the discount window an efficient source of funding during periods of stress, it needs to meet the needs of modern banking for banks of all sizes.

This legislation is a positive step toward ensuring discount window operations are up to date and that accessing the discount window is easy and efficient to use in times of stress. To ensure these efficiency gains continue, ABA recommends that Congress direct the Federal Reserve System to establish a Discount Window Advisory Council to provide input and recommendations on processes and operations, ensuring that the relevant materials, technology, and risk analysis methods are aligned with current market practices and allow efficient access for banks of all sizes on an ongoing basis.

**H.R. 4460, the Stop Agency Fiat Enforcement of Guidance (SAFE Guidance) Act**, led by Rep. Dan Meuser (R-PA), would require each financial regulator to include a guidance clarity statement with any guidance issued by that agency. The guidance clarity statement would be required to state that the guidance does not have the force and effect of law, does not establish any rights or obligations, is not binding on the agency or the public, and noncompliance with the guidance does not conclusively establish a violation of applicable law. Longstanding law

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<sup>1</sup> ABA is the voice of the nation's \$24.1 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$19.2 trillion in deposits and extend \$12.7 trillion in loans.

prohibits agencies from issuing guidance that purports to have or could in practice have a binding effect, and agencies may only issue binding requirements through notice-and-comment rulemaking. ABA supports greater transparency and clarity in regulatory oversight, and this legislation would help banks better understand their obligations with respect to guidance.

**H.R. 3446, the FDIC Board Accountability Act**, led by Rep. Bill Huizenga (R-MI), would revise the membership requirements for the FDIC Board by making the CFPB Director a non-voting member of the Board and mandating that one Board member have state bank supervisory experience and separately one Board member have primary experience working in or supervising depository institutions having less than \$10 billion in total assets. Changing the CFPB Director's role on the FDIC Board to that of a non-voting member reflects the fact that the CFPB and FDIC have distinct missions and guards against potential conflicts of interest. Further, requiring that a member of the FDIC Board of Directors have primary experience working in or supervising depository institutions with less than \$10 billion in total assets ensures that the Board includes a member with expertise in community bank operations and business models.

**H.R. 4544, The American Access to Banking Act**, led by Ranking Member Maxine Waters (D-CA), is a forward-looking proposal to encourage the formation of de novo financial institutions and meet the evolving needs of our economy and communities across the country. This legislation directs agencies to streamline and simplify the application process; allows applicants to request a designated caseworker within the regulatory agency to assist with the process; facilitates a mentor program in which recently approved de novo institutions can work with de novo applicants; and requires agencies to engage state governments and stakeholders on reforms that will make de novo formation easier. This bill is a positive step toward improving the de novo application process, enhancing regulator-applicant communication, and supporting responsible capital formation. This bill, along with H.R. 478—the Promoting New Bank Formation Act led by Rep. Andy Barr (R-KY)—which ABA also supports, would help revitalize new bank activity and strengthen competition within the financial services landscape.

Finally, ABA supports the following two bills that thoughtfully raise supervisory asset thresholds. Modernizing supervisory asset thresholds is critical for the structure, efficiency, and fairness of our financial system. Despite the impact of inflation and the growth of the banking industry itself, supervisory asset thresholds applicable to banks can remain unchanged for years. 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. Increasing supervisory thresholds and indexing them to reflect growth is a critical step in maintaining a healthy, vibrant banking sector.

**H.R. 4478, the Tailored Regulatory Updates for Supervisory Testing Act of 2025 (TRUST Act)**, led by Reps. Tim Moore (R-NC) and Ritchie Torres (D-NY), increases the total asset threshold under which institutions qualify for an 18-month exam cycle from \$3 billion to \$6 billion. This important legislation helps ensure bank regulations do not impose unintended constraints on institutions by reducing regulatory burdens for community banks in the examination process. By reducing the frequency of examinations for well-capitalized and well-managed institutions, the TRUST Act would allow more community banks to avoid navigating duplicative examinations.

**H.R. 4437, the Supervisory Modifications for Appropriate Risk-Based Testing Act of 2025 (SMART Act)**, led by Reps. William Timmons (R-SC) and Bill Foster (D-IL), increases the total asset threshold from \$3 billion to \$6 billion under which institutions qualify for a limited-scope examination directly after an on-site, full-scope exam. It also requires that if the institution is otherwise subject to a separate safety and soundness exam and a consumer compliance exam, at the request of the institution, the regulatory agency shall combine these exams and carry them out at the same time.

## **Conclusion**

The ABA respectfully requests that the Committee favorably report the bills summarized above. Thank you for the opportunity to express our views on these important pieces of legislation.