American Bankers Association®

Memo

Date: June 10, 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 June 10, 2025, Full Committee Markup

On behalf of the members of the American Bankers Association (ABA),[1] please see below our views on several bills that are scheduled for consideration by the Committee on June 10, 2025. Thank you for the opportunity to express our views on these measures.

The American Bankers Association supports the following bills noticed for today's markup:

H.R. 2808, the Homebuyers Privacy Protection Act, led by Reps. John Rose (R-TN) and Ritchie Torres (D-NY), would curb the abusive use of mortgage credit "trigger leads" while narrowly preserving them for legitimate, transparent, and accountable uses. Trigger leads occur when a mortgage lender orders a credit report on a consumer applying for credit and the credit reporting agency (CRA) then alerts other mortgage lenders of that application. The CRA's alert essentially informs the second lender that the consumer is in search of credit and is therefore a good candidate for direct marketing. Consumers may then be contacted by the other parties that have purchased the trigger leads, leading to invasions of the customer's privacy and confusion for customers as to how their mortgage application information was shared with other lenders.

Upon six months of passage of this legislation, mortgage trigger leads would be permissible under the Fair Credit Reporting Act (FCRA) only in limited circumstances during a real estate transaction and only to provide a firm offer of credit. A CRA would not be able to furnish a trigger lead to a third party unless the third party has certified to the CRA that either: (1) the consumer explicitly consents to such solicitations; or (2) the party has originated a current residential mortgage to the consumer, is the servicer of a current residential mortgage loan of the consumer, or is an insured depository institution or credit union and holds a current account for the consumer.

H.R. 2835, the Small Bank Holding Company Relief Act, led by Rep. Byron Donalds (R-FL), would require the Federal Reserve to raise the consolidated asset threshold to $25 billion for small bank holding companies and savings and loan holding companies. This legislation would allow small bank holding companies to operate with higher debt levels than would be allowed for larger bank holding companies, making it easier for smaller institutions to issue debt and bolster their capital. This reform would strengthen community banks and allow them to better

[1] ABA is the voice of the nation's $24.5 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard $19.5 trillion in deposits and extend $12.8 trillion in loans.

meet the needs of their customers, clients, and communities, while preserving their commitment to safety and soundness.

H.R. 3709, the Advancing the Mentor-Protégé Program for Small Financial Institutions Act, led by Rep. Joyce Beatty (D-OH), would codify the Financial Agent Mentor-Protégé Program at the U.S. Department of the Treasury. This program would allow a financial agent designated by the Treasury Secretary or a large financial institution to serve as a mentor to a small financial institution, providing valuable guidance, resources, and training to help small financial institutions better serve their communities and become financial agents to the Treasury Dept. This legislation enhances the ability of community banks, rural financial institutions and minority depository institutions to better meet the financial service needs of their customers, clients and communities by strengthening partnerships between large banks and these community financial institutions with the help of the Treasury Department.

H.R. 3716, the Systemic Risk Authority Transparency Act, led by Rep. Al Green (D-TX), would require the Government Accountability Office and appropriate Federal banking regulators to issue reports detailing the causes of bank failures, regulatory actions, and any management or supervisory shortcomings, within certain specified timeframes after the FDIC invokes the systemic risk exception. This will increase transparency in the regulatory process.

Conclusion

The ABA respectfully requests that the Committee favorably report the bills summarized above, and we thank you once again for the opportunity to express our views on this important legislation.