



# AMERICA'S BANKS DRIVE THE ECONOMY



America's **\$23.4 trillion banking industry** safeguards \$18.6 trillion in deposits and extends \$12.3 trillion in loans.



More than **4,600 banks serve customers nationwide** through more than 77,000 branches and universally available mobile platforms.



Banks of all sizes **invested more than \$287 billion in low- and moderate-income communities** in 2021 alone.



America's banks **originated 3.3 million mortgage loans** in 2022 and hold 27.6 million small farm and small business loans.



**Low-fee Bank On-certified accounts are offered in more than half of all bank branches** and are accessible to 95.5% of low- and moderate-income households.



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## About ABA

The American Bankers Association is the only trade association to represent banks of all sizes and their two million dedicated employees. We help America's banks serve their customers and strengthen their communities by advocating for policies in Washington that drive a healthy and inclusive economy, support robust and holistic analysis of banking regulation, and foster a competitive financial services market. We are the only trade association with a formal alliance with 51 state bankers associations that work tirelessly to ensure banks can continue to meet the needs of their customers in their home states. ABA and its state association partners believe a strong banking industry is foundational to a strong economy. We look forward to partnering with members of Congress to ensure we are delivering on both.



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# 2024 LEGISLATIVE PRIORITIES



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## CFPB Small Business Loan Application Data Collection Rule (Section 1071)

The CFPB's final rule, which would require lenders to collect and report 81 new data fields about lending to women-owned, minority-owned and small businesses, will increase the cost of small business lending and could reduce access to credit.

- Cosponsor the Small LENDER Act (S. 1159/H.R. 1806), which would exempt lenders originating fewer than 500 small business loans in each of the preceding two calendar years and limit the rule's application to small businesses with gross annual revenues of under \$1 million.
- Cosponsor the Bank Loan Privacy Act (H.R. 1810), which would require the CFPB to engage in a rulemaking to determine which small business financial data can be made public.

## Federal Regulation of Stablecoin Issuers

Stablecoins are a form of digital currency that seek to maintain a 1-to-1 peg with a reference asset. Stablecoins mimic commercial bank money with potential use as a means of payment and as a deposit substitute, which could restrict credit availability.

- Apply the same level of federal oversight to stablecoin issuers as is currently applied to banks in order to limit the risk of charter arbitrage and ensure equivalent consumer protection across all financial service providers.
- Stablecoin legislation should include a primary federal regulator for stablecoin issuers, prohibit a non-financial commercial company from owning or controlling a payment stablecoin issuer, and mandate exams and audits to enhance accountability.

## Access to Credit for our Rural Economy (ACRE) Act

ACRE (S. 2371/H.R. 3139) is bipartisan, bicameral legislation that would lower interest rates for farmers, ranchers and rural homeowners by providing a tax exemption for interest earned on bank loans secured by farm real estate, aquaculture facilities and home mortgage loans in communities of no more than 2,500 people.

- Cosponsor ACRE and help deliver approximately \$1.15 billion worth of annual interest expense savings to farmers and ranchers in more than 17,000 rural communities across the country.

## Credit Card Routing Mandates

The Credit Card Competition Act (S. 1838/H.R. 3881) would expand government routing mandates to the credit card market, reducing the security of credit card transactions, limiting community bank card offerings, and eliminating important consumer benefits like credit card rewards programs.

- Oppose the so-called Credit Card Competition Act (CCCA) and prevent a massive wealth transfer from small community financial institutions and their customers to the Big Box Retailers.

## Credit Union Oversight

Credit unions receive government subsidies to provide basic consumer banking products to underserved groups and communities, but this \$2 trillion dollar industry has no community benefit reporting requirements and receives minimal congressional oversight.

- Formally request a hearing on the community benefit of the credit union tax exemption in the House Ways and Means and Senate Finance Committees. It has been nearly 20 years since Congress conducted oversight on this \$34 billion taxpayer subsidy.

## Cannabis Banking

Thirty-eight states have legalized cannabis for medical or recreational purposes, but federal law exposes banks to potential civil and criminal penalties, as well as regulatory sanctions for serving cannabis businesses. The SAFER/SAFE Banking Act (S. 2860/H.R. 2891) is commonsense bipartisan legislation that would enable banks to serve state-licensed cannabis businesses, their employees and service providers in states where cannabis is legal.

- Support the SAFER/SAFE Banking Act, which will get state-sanctioned cannabis cash off the street and into regulated financial institutions, making our communities safer and the cannabis industry more transparent to regulators, tax authorities and law enforcement.

## Tax Credits

Banks of all sizes utilize tax credits to stimulate economic growth and drive private investment in economically distressed rural, urban and tribal communities. These tax credits further leverage public-private partnerships to stimulate additional private sector investment and support revitalization and long-term economic growth in distressed communities.

- Support the Main Street Tax Certainty Act (S. 1706/ H.R. 4721), the New Market Tax Credit Extension Act (S. 234/H.R. 2539), the Neighborhood Homes Investment Act (S. 657/H.R. 3940) and the Affordable Housing Credit Improvement Act (S. 1557/H.R. 3238).

## Tax Policy

Cohesive tax policy is a critical component of supporting economic growth and American competitiveness — particularly regarding the four minimum tax regimes: the Global Intangible Low-Taxed Income (GILTI), the Base-Erosion and Anti-Abuse Tax (BEAT), the Corporate Alternative Minimum Tax (CAMT) and the OECD's Pillar 2 project.

- Ensure minimum tax regimes are consistent, cohesive and workable.

## Homebuyer Privacy

Credit bureaus can sell the personal contact information of consumers who are shopping for a loan, which can generate hundreds of unwanted solicitations from other lenders.

- Support the Homebuyers' Privacy Protection Act (S.3502) and the Protecting Consumers from Abusive Mortgage Leads Act (H.R. 7297), which would amend the Fair Credit Reporting Act (FCRA) to prohibit credit reporting agencies from selling consumer information in certain circumstances.

## Cumulative Impact of Bank Regulation on the Economy

The tsunami of recent banking regulations will have significant real-world consequences on the stability of the financial system, the ability to foster economic growth in underserved communities, and the cost and availability of financial products and services for consumers and businesses.

- Conduct robust oversight of bank regulatory proposals that increase capital, cut fee income, and layer on thousands of pages of new regulatory requirements without adequate analysis of the cumulative impact on bank customers and community banks.