ICBA GOVERNMENT RELATION UPDATE

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POLITICAL LANDSCAPE

Congress

- Republican-controlled House
- Senate remains narrowly divided
- Limited legislative calendar before midterm election season

Administration Priorities

- Housing affordability
- Deregulation
- Economic growth
- Fraud and consumer protection

Banking Outlook

- More opportunities for targeted regulatory relief than major banking reform
- Increased focus on consumer protection and scams
- Community bank advocacy remains critical

MIDDLE EAST UPDATE – WAR IN IRAN

Current Situation

- Ongoing military tensions involving Iran and regional actors
- Continued concerns over energy markets and global stability

Potential Banking Impacts

- Market volatility
- Energy price fluctuations
- Inflationary pressures
- Increased sanctions compliance scrutiny

Community Bank Considerations

- Economic uncertainty affecting borrowers
- Potential impacts on interest rates
- Heightened BSA/AML and sanctions monitoring

HOUSING BILL UPDATE:

HOUSING LEGISLATION UPDATE: FROM MAIN STREET CAPITAL ACCESS TO THE 21ST CENTURY ROAD TO HOUSING ACT

How We Got Here →

Housing legislation began with the **Main Street Capital Access Act**, a package of bipartisan capital formation and housing-related reforms →

HFSC advanced tons of housing bills individually These bills were ultimately combined into the **Housing for the 21st Century Act**. →

House passed the package with overwhelming bipartisan support (**390-9 vote**). →

Focus areas included:

- Increasing housing supply
- Streamlining federal housing programs
- Modernizing manufactured housing policies
- Reducing barriers to development

Senate Action →

Senate Banking Committee developed its own bipartisan package, the **ROAD to Housing Act**. →

The bill was approved unanimously in committee (**24-0 vote**). →

Included approximately 40 bipartisan housing proposals →

Where Things Stand Today

Senate merged elements of both chambers' work into the **21st Century ROAD to Housing Act**. →

Senate passed its version by an **89-10 vote**. →

House later amended the bill and passed its own version by a **396-13 vote**. →

Current Status: Two Bills, One Goal →

Senate Version

21st Century ROAD to Housing Act (Senate-passed) →

House Version →

Amended 21st Century ROAD to Housing Act (House-passed)

CHAIRMAN FRENCH HILL'S REGULATORY RELIEF AGENDA:

“MAKE COMMUNITY BANKING GREAT AGAIN”

"House Financial Services Committee Focus

- Chairman French Hill has prioritized a package of community bank-focused regulatory relief measures.

Key Themes

- Tailoring regulations
- Reducing compliance burden
- Expanding lending flexibility
- Modernizing outdated requirements

Committee Successes

- Multiple regulatory relief bills advanced through committee and House consideration.
- Strong emphasis on community bank competitiveness.

DIGITAL ASSET MARKET CLARITY ACT

The bill is essentially a **crypto market structure framework**

Problem: stablecoin provision

- Our biggest concern is that this bill could allow crypto firms to offer rewards tied to stablecoin holdings that resemble deposit products.
- Which could: Divert deposits from banks; Create regulatory arbitrage; Allow nonbanks to compete with deposit products without equivalent supervision.

Current Status:

- Senate negotiations are ongoing, and final enactment remains uncertain, but the bill is closer to passage than any prior crypto market structure legislation.

CREDIT UNIONS ACQUIRING BANKS

What We're Seeing

- Continued growth in credit union acquisitions of tax-paying community banks
- Larger transactions receiving increased congressional attention

ICBA Concerns

- Tax-exempt institutions acquiring tax-paying banks
- Competitive inequities
- Questions regarding mission and field-of-membership expansion

Key Advocacy Message

- Greater transparency and accountability
- Level playing field for community banks
- Congressional oversight of acquisition trends

PACE ACT UPDATE
PROTECTING ACCESS TO CREDIT FOR SMALL BUSINESSES

- **Overview**
- Addresses concerns regarding CFPB Section 1071 implementation and data collection requirements.
- Intended to reduce regulatory burden while preserving access to credit.
- **Why It Matters**
- Compliance costs disproportionately impact community banks.
- Potential operational burden for smaller institutions.
- **Current Status**
- Update on committee activity and congressional support.
- ICBA continues engagement with House and Senate offices.

BANK FRAUD & SCAM POLICY

Growing Congressional Focus

- Fraud and scams remain one of the fastest-growing policy issues facing financial institutions. Policymakers are increasingly focused on authorized-push-payment scams, online fraud, cryptocurrency scams, and elder financial exploitation

- The **SCAMS Act** refers to the bipartisan, bicameral **Safeguarding Consumers from Advertising Misconduct (SCAM) Act** (S. 3774 / H.R. 7548). The legislation is designed to combat the proliferation of predatory online scams and fraudulent advertising on social media and digital platforms.

THANK YOU!

QUESTIONS?