



ICBA
Advocacy

Washington Update

CCBN Directors Roundtable 2025

Rhonda R. Whitley
June 10, 2025



“Repair, Reform, and Thrive”

ICBA’s Plan for the new Administration and 119th Congress

1. **Repair:** Identify and eliminate unnecessary and excessively burdensome regulations that hinder community banks and the communities they serve.
2. **Reform:** Promote a level playing field by ensuring equitable tax and regulatory treatment among all financial service providers, including credit unions and non-bank entities.
3. **Thrive:** Foster an environment that encourages the formation of new community banks and supports the growth of existing ones, ensuring continued access to financial services in local communities.

Congressional Hearing on Making Community Banking Great Again!

- To guide policymakers in reforming community banking policies to promote sustained growth, ICBA's CEO, Romero Rainey called on Congress to:
 - Advance tiered regulations through a comprehensive update of regulatory thresholds.
 - Provide relief from the CFPB's 1071 requirements through House Small Business Committee Chairman Roger Williams' 1071 Repeal to Protect Small Business Lending Act.
 - Promote the formation of de novo community banks through Rep. Andy Barr's Promoting New Bank Formation Act (H.R. 478).
 - Promote and strengthen CDFIs and MDIs.
 - Support equivalent supervision, oversight, and taxation for financial services providers, including credit unions and Farm Credit System lenders.
 - Strengthen the financial position of consumers by ending "trigger leads" harassment, closing the industrial loan company loophole, helping community banks eliminate check fraud, opposing credit card routing mandates, protecting consumer data from the CFPB's 1033 rule, and more.



Agency Shakeup



The CFPB

Jan 31 → Scott Bessent named Acting Director.

Feb 7 → Russell Vought named Acting Director.

Feb 8 → Put on ice:

- No new proposed/final rules, or guidance.
- Suspend the effective dates of all final rules.
- Cease all supervision, examination, or enforcement activities.
- No public communications of any type.
- Pause all litigation.
- Cease all stakeholder engagement (CBAC).

Feb 10 → Employees locked out of building.

Feb 11 → Jonthan McKernan nominated to be new Director.

Feb 12 → 150 employees terminated.

Feb 14 → Temporary restraining order.

March 5 → Mass firings of CFPB employees halted while legal challenges are ongoing.

March 28 → Temporary restraining order against dissolution of agency.

April 17th → 1500 employees fired.

April 18 → Judge blocked mass firing.

April 28 → Court invalidated CFPB mass firing.

April 30 → House took up legislation to cut the CFPB budget by 70%.



Agency Shakeup

...meanwhile, at the FDIC, OCC, FRB, and FHLB

FDIC

- Travis Hill (Acting)
 - 3 GOP on board; no Democrats.
 - A permanent director has not been nominated.

OCC

- Rodney Hood (Acting)
- Jonathan Gould nominated for permanent role.
- Agency announced that it would merge its community, midsize, and large bank supervision.
 - ICBA opposed this structural change and highlighted the need to tailor supervision based on a bank's size, complexity, and risk profile.

Agency Shakeup

...meanwhile, at the FDIC, OCC, FRB, and FHLB

FRB

- Michael Barr stepped down as Vice Chair of Supervision.
- Miki Bowman was nominated to serve as Vice Chair for Supervision.
 - Governor Bowman made history as the first person to fill the Fed's community banking seat, which exists because of ICBA's successful advocacy for Congress to require community bank representation on the Fed board.
 - Nomination came after ICBA and 44 affiliated state banking associations urged the Trump administration to nominate her, citing her understanding of the unique role of community banks in fostering locally based growth and prosperity.

FHLB

- Bill Pulte was confirmed as the Director of the Federal Housing Finance Agency.
 - After his confirmation, we noted the importance of protecting the Federal Home Loan Bank system and enabling Fannie Mae and Freddie Mac to safely and soundly exit conservatorship.
 - He quickly made some significant changes to the structure of the GSEs, replacing board directors and appointing a new interim CEO at Freddie Mac.

Agency Shakeup – The Role of Russell Vought

- Director, Office of Management and Budget (OMB) and FDIC board member.
- Has undertaken deregulatory efforts and steps to dismantle the CFPB.
- Has a role within the Office of Information and Regulatory Affairs to oversee rulemaking and guidance issued by independent regulatory agencies.
- Has worked to downsize all federal agencies.

Agency Shakeup – Considerations

- Dismantling of CFPB
 - Will leave community banks with more regulatory and supervisory burden than largest banks and non-bank financial services companies.
 - Will contribute an already unequal playing field.
 - Widens the competitive disadvantage due to lack of supervision.
 - Potential for other regulators to step in and increase in state-based activity:
 - ✓ States, banking regulators, and private litigants may take up/increase enforcement action.
 - ✓ State attorneys have been known to step up enforcement when the CFPB decreased its role.
 - Aggressive federal spending cuts could negatively impact programs beneficial to our members and the communities they serve (e.g., cuts to SBA lending, farm credit programs, CDFI funds, etc.).
- Loss of agency staff (while regulatory requirements remain) poses a challenge to our members.
 - Reorganization could lead to one-size fits all supervision that is not appropriate for small community banks.

Executive Actions & Deregulation Efforts



Presidential Executive Actions

- 141 executive orders issued since January 20th surpassing Franklin D. Roosevelt's historic record.
- 26 executive orders, 12 presidential memoranda (including one that established regulatory freeze and review), and 4 official proclamations issued on day one.
- On April 9, 2025, a Memorandum entitled "*Directing The Repeal of Unlawful Regulations*" was released, which:
 - Is aimed at identifying and reviewing unlawful or potentially unlawful regulations for potential repeal was release.
 - Asserts that unnecessary and onerous regulations impede the Administration's objectives of promoting economic growth and innovation and impose massive costs on consumers and businesses.

Presidential Executive Actions – OMB RFI on Deregulation

- On April 11, 2025, the OMB published an RFI on deregulation.
 - Emphasis on rescission, and particular attention to:
 - ✓ regulations that are inconsistent with statutory text or the Constitution,
 - ✓ regulations where costs exceed benefits,
 - ✓ regulations that are outdated and do not reflect the current state of technology, or
 - ✓ regulations that are bad policy, unreasoned, or unsound.
 - Only 1 month to respond – comments were due May 12th.

OMB RFI on Deregulation - ICBA's Response

- **1071 - Small Business Lending Rule** – rescind and repropose in line with statutory authority.
- **Amendments to Reg II Debit Card Interchange Proposal** – rescind.
- **BSA Reporting Thresholds** – revise to update thresholds.
- **BSA Customer Due Diligence Rule** - rescind.
- **Language Preference Data Collection**- rescind.
- **Annual Independent Audit and Reporting Requirements** – revise to update thresholds.
- **CDFI Certification**- rescind new recertification requirements.
- **Community Reinvestment Act rule** - rescind recent final rule to reinstate the previous version.
- **Personal Financial Data Right (1033) Rule** - rescind and repropose.
- **Cyber incident reporting requirements** - rescind and consolidate among agencies to streamline the patchwork of existing requirements that apply to community banks.
- **2024 Non-Compete Clause Rule** – rescind.

Questions?

Rhonda R. Whitley

Senior Vice President & Senior Regulatory Counsel

Rhonda.Thomas-Whitley@icba.org

www.icba.org