

California's Political Landscape & Impact to Community Banks

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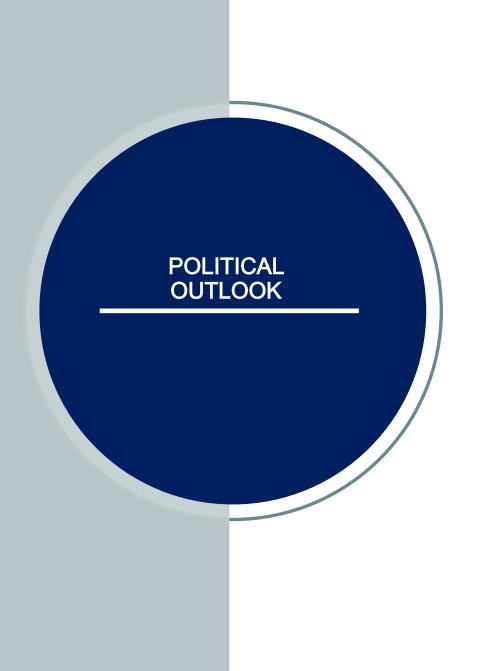
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California Landscape

"Trump Resistance"

- > Responding to federal rollbacks (e.g. CFPB)
- SB 825 (Limon) erases community bank CCFPL exemption
- > AB 801 (Bonta) Statewide CRA
- Legislation eroding attractiveness of state charter
 - > AB 1065 (Ortega) interchange fee restriction federal banks likely preempted
 - AB 1365 (Garcia) creates the CalAccount program, relies on existing community bank customers shifting to CalAccount
 - > AB 909 (Schiavo) elder adult financial abuse/induced transactions





- Governor Newsom in second and final term
 - Rumors of a presidential bid
- Litigation against Trump Administration
- Democrats control California
 - Pros and cons how does this impact community banks?



\$12 Billion Deficit

STATE FISCAL SITUATION

- Very little new spending proposed
- Federal uncertainty
- DFPI projected insolvency



- California has a full-time Legislature
 - In session from January through August every year
- Bills introduced January-February
 - > Typically over 2,000 new bills every year
- Bills must pass out of "house of origin" by June 6
- Process restarts in opposite house
- 2025 session adjourns September 12



QUESTIONS