

MERGER PROCESS REVIEW ACT

FEBRUARY 25, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services,
submitted the following

R E P O R T

[To accompany H.R. 6546]

The Committee on Financial Services, to whom was referred the bill (H.R. 6546) to require the Inspector General of each Federal prudential regulator to carry out a review every 3 years of the regulator’s handling of insured depository institution merger applications, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Merger Process Review Act”.

SEC. 2. INSPECTOR GENERAL REVIEW OF THE HANDLING OF INSURED DEPOSITORY INSTITUTION MERGER APPLICATIONS.

(a) **REVIEW.**—Not later than 1 year after the date of enactment of this Act, and every 3 years thereafter, the Inspector General of each Federal depository institution regulatory agency shall review the Federal depository institution regulatory agency’s merger review procedures, including record of timeliness and efficiency in reviewing and acting upon insured depository institution merger applications. The review shall—

(1) include an evaluation of relevant quantifiable metrics, including mean and median application processing times;

(2) identify sources of delay that may hinder the timely consummation of proposals that meet the relevant statutory factors;

(3) consider the benefits and risks of utilizing different merger review approaches and procedures in compliance with the law;

(4) include an evaluation of the impact of such merger review procedures and resulting approved mergers on safety and soundness, financial stability, competition, and the availability of financial products and services offered by insured depository institutions; and

(5) include specific recommendations to improve the merger review process, including timeliness and efficiency of application processing, consistent with the Federal depository institution regulatory agency’s statutory responsibilities.

(b) **REPORT.**—Each Inspector General described under subsection (a) shall, at the conclusion of each review required under subsection (a), issue a report to Congress containing all findings and determinations made in carrying out the review, and publish such report online.

(c) **AGENCY RESPONSE.**—In response to each report issued to Congress under subsection (a), the appropriate Federal depository institution regulatory agency shall submit to Congress and publish online a written response, including a plan to implement the recommendations in the report, to the extent such implementation is appropriate.

(d) **DEFINITIONS.**—In this section:

(1) **APPLICATION.**—The term “application” means an application, notice, or other similar request for permission submitted to a Federal depository institution regulatory agency.

(2) **FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY.**—The term “Federal depository institution regulatory agency” means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board.

(3) **INSURED DEPOSITORY INSTITUTION.**—The term “insured depository institution”—

(A) has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) means an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(4) **INSURED DEPOSITORY INSTITUTION MERGER APPLICATION.**—The term “insured depository institution merger application” means an application with respect to the acquisition of an insured depository institution, its equity interests, its assets, or its deposits under—

(A) section 10(e) of the Home Owners’ Loan Act (12 U.S.C. 1467a(e));

(B) section 205(b) of the Federal Credit Union Act (12 U.S.C. 1785(b));

(C) section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j));

(D) section 18(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(2));

(E) section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842); and

(F) section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843).

PURPOSE AND SUMMARY

H.R. 6546, the *Merger Process Review Act*, was introduced on December 9, 2025, by Republican Representative Roger Williams (TX–25). This bill requires the Inspector General of each Federal prudential regulator to carry out a review every three years of its merger review procedures, submit a report to Congress containing

the findings and recommendations, and submit a plan to Congress to implement those recommendations to the extent appropriate.

BACKGROUND AND NEED FOR LEGISLATION

Delays and uncertainty in the merger approval process disproportionately harm smaller and mid-sized institutions—the institutions most vulnerable to rising compliance costs and regulatory burdens. These institutions often seek mergers not to dominate markets, but to survive and remain competitive. However, the current slow and opaque approval process makes it difficult for them to combine resources, expand services, or invest in technology at scale. As a result, smaller institutions cannot merge with each other quickly or efficiently and are left with few options. This dynamic inadvertently forces consolidation upward—making the largest institutions even bigger—while hollowing out the middle tier and putting more pressure on smaller institutions. A more predictable, timely merger process would help level the playing field and maintain a healthier, more competitive ecosystem for depository institutions.

H.R. 6546 directs the Inspector General of each Federal prudential regulator to study and recommend changes to the merger review process to bring clarity to applicants and reduce unnecessary, costly delays.

COMMITTEE CONSIDERATION

119TH CONGRESS

On December 9, 2025, Representative Williams introduced H.R. 6546, the *Merger Process Review Act*. Representatives Warren Davidson (R–OH) and Mike Lawler (R–NY) were added subsequently as cosponsors.

The bill was referred solely to the Committee on Financial Services. Discussion draft versions of H.R. 6546 were attached to the May 14, 2025, hearing titled, “Enhancing Competition: Shaping the Future of Bank Mergers and De Novo Formation” and the December 2, 2025, hearing titled “Oversight of Prudential Regulators.”

On December 16, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 6546. The Committee ordered H.R. 6546, as amended, to be reported with a favorable recommendation to the House of Representatives.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearings were used to develop H.R. 6546:

On May 14, 2025, the Subcommittee on Financial Institutions held a hearing titled, “Enhancing Competition: Shaping the Future of Bank Mergers and De Novo Formation.” The Subcommittee heard testimony from: Mr. Keith Costello, President and CEO, Locality Bank; Ms. Mary Usategui, President and CEO, BankMiami; Ms. Amanda Alexon, Partner, Simpson Thacher & Bartlett LLP; Mr. John Berlau, Senior Fellow and Director of Finance Policy, Competitive Enterprise Institute; and Mrs. ReShonda Young, Founder, Jabez Inc.

On December 2, 2025, the Committee on Financial Services held a hearing titled, “Oversight of Prudential Regulators.” The Committee heard testimony from: the Honorable Michelle Bowman, Vice Chair for Supervision, Board of Governors of the Federal Reserve System; the Honorable Jonathan Gould, Comptroller, Office of the Comptroller of the Currency; the Honorable Kyle Hauptman, Chairman, National Credit Union Association; and the Honorable Travis Hill, Acting Chairman, Federal Deposit Insurance Corporation.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include record votes on the motion to report legislation and amendments thereto.

On December 16, 2025, the Committee ordered H.R. 6546, as amended, to be reported favorably to the House by a recorded vote of 52 yeas and 0 nays, a quorum being present. (Record Vote No. FC-215).

Before the question to report was called, the Committee adopted an amendment in the nature of a substitute offered by Representative Williams (TX), designated WILLTX 051, which made minor edits and technical changes. The amendment was adopted by voice vote.

Committee on Financial Services

Markup 9

Bill: H.R. 6546

December 16, 2025

Measure: H.R. 6546 (as amended)

Amdt/Designated:

Record Vote No.

Motion: to report favorably

FC-215

Disposition:

AGREED TO (52-0)

Member	Yea	Nay	Not Recorded	Member	Yea	Nay	Not Recorded
Chairman Hill	X			Ranking Member Waters	X		
Mr. Lucas	X			Ms. Velázquez	X		
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)	X		
Mr. Emmer	X			Mr. Cleaver	X		
Mr. Loudermilk	X			Mr. Himes	X		
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty	X		
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons	X			Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman	X			Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley	X		
Mrs. Kim	X			Ms. Tlaib	X		
Mr. Donalds	X			Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)			X
Mr. Fitzgerald			X	Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen	X		
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles	X			Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	29	0	1		23	0	1

Committee Totals:

52	0	2
Yeas	Nays	Not Voting

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 6546 is to bring clarity to merger applicants and reduce unnecessary, costly delays.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 6546. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee will adopt as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office. However, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

EARMARK STATEMENT

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the “*Merger Process Review Act*.”

Section 2. Inspector General review of the handling of insured depository institution merger applications

Section 2 directs the Inspector General of each Federal depository institution regulatory agency, not later than one year after the date of enactment of the Act, and every three years after, to review the agency’s record of timeliness and efficiency in reviewing and acting upon institution merger applications. The review will include an evaluation of relevant quantifiable metrics, including mean and median application processing times; sources of delay; and specific recommendations to improve the timeliness and efficiency of the application process.

At the conclusion of each review, each Inspector General must submit a report to Congress including all findings and determinations made in carrying out the review. In response to each report, the agency must submit a written response to Congress, including a plan to implement the recommendations in the report to the extent practicable.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 6546 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the House of Representatives.

DOCUMENTS INCLUDED BY UNANIMOUS CONSENT



December 15, 2025

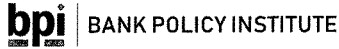
The Honorable French Hill
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hill, Ranking Member Waters and Members of the Committee:

The Bank Policy Institute (BPI) writes in support of several measures being considered in this week's markup, including:

- **HR 6553, the Tailoring and Indexing Enhanced Regulations (TIER) Act**, sponsored by Rep. Andy Barr. HR 6553 would update the statutory tailoring thresholds set on a bipartisan basis in S. 2155 to reflect economic growth, with periodic adjustments thereafter, and also require the federal banking agencies to similarly review and update the non-statutory thresholds periodically. Adjusting these tailoring thresholds is important to allow banks to facilitate the broader economy as it grows, including the creation of new businesses and expansion of existing firms to meet this growing demand. Similarly, when tailoring thresholds remain fixed and not updated to reflect economic growth, a bank's total exposures might grow larger simply because the economy is growing, not because the bank's portfolio is becoming riskier or more complex, but the fixed thresholds would still subject them to stricter requirements nonetheless.
- **HR 6544, the Regulatory Efficiency, Verification, Itemization, and Enhanced Workflow (REVIEW) Act**, sponsored by Rep. William Timmons. HR 6544 would amend the periodic regulatory review process set by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) to occur every seven years, rather than every 10 years currently. Additionally, the bill would require the prudential regulators to conduct an internal review of the cumulative impact of their regulations. Given the robust bank regulatory framework and constant updates enacted by multiple regulators, it makes sense to more frequently conduct these regulatory reviews to ensure that regulations are staying up to date and consistent with their original purpose.
- **HR 6546, the Merger Process Review Act**, sponsored by Rep. Roger Williams. HR 6546 would require the Inspectors General of the prudential regulators to conduct a review every three years of their merger review processes to ensure the M&A applications and approvals are being conducted consistent with the requirements of the law. Mergers and acquisitions enable banks to reach more customers, invest in technology and operate at scale, which provides further benefits to economic growth, efficiency and customer convenience. Unfortunately, the bank M&A process has been fraught with unpredictability and regulatory roadblocks, which has discouraged potential applicants



from pursuing mergers that could benefit the economy and health of the banking system.

- **HR 6550, the American Financial Institution Regulatory Sovereignty and Transparency (American FIRST) Act**, sponsored by Rep. Barry Loudermilk. HR 6550 builds on important work that the Committee has conducted in providing oversight of how U.S. federal regulators coordinate and develop standards in conjunction with foreign regulators as part of international standard-setting bodies, which form the basis of subsequent regulations implemented domestically. Given the significance of many of these rulemakings that are born out of these international agreements, such as the Basel III Endgame standards, there is a clear need for more transparency into their development at this stage both under the Administrative Procedure Act (APA) and as part of regular Congressional oversight.
- **HR 5913, the Community Investment and Prosperity Act**, sponsored by Rep. Mike Lawler and Rep. Joyce Beatty. HR 5913, included as part of the Amendment in the Nature of a Substitute (ANS) to the Housing for the 21st Century Act, would increase the discretionary Public Welfare Investments (PWI) cap from 15 to 20 percent. This modest increase to the cap, which has not been updated since 2006, would allow banks nearing the cap to increase their investments in projects that support low- and moderate-income communities, including affordable housing, so long as their regulator deems it prudent to preserve existing safeguards in the system.

BPI strongly supports these proposals and commends the Committee and the bill sponsors for their work advancing these commonsense reforms, which will further rationalize the bank regulatory framework and enable banks to support the broader economy.

Thank you for your consideration.

Sincerely,

Bank Policy Institute



Memo

Date: December 16, 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 December 16 – 17, 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 December 16 – 17, 2025. Thank you for the opportunity to express our views on these measures.

The ABA supports the following bills noticed for the markup:

Extending the National Flood Insurance Program

H.R. 5577, the NFIP Extension Act of 2026, led by Chairman Andrew Garbarino (R-NY), would extend the National Flood Insurance Program (NFIP) through September 30, 2026, and make it retroactive to September 30, 2025. This extension of the NFIP is critical to the extension of mortgage and commercial credit by the banking industry and to ensure homeowners and businesses continue to have access to affordable, reliable flood insurance coverage. Further, this important extension is consistent with the long-standing views of ABA member banks, and we urge the Committee to prevent future disruptions to this critical program by enacting long term NFIP authorizing legislation.

Indexing Asset Thresholds

For decades, many statutory and regulatory asset thresholds have stayed fixed in nominal terms, even as the economy has grown. These thresholds were set during very different economic conditions and have not been updated to reflect significant changes in the banking sector over time. As a result, thresholds that once reflected meaningful distinctions in size, complexity, or risk now capture institutions that were never intended to face heightened regulatory requirements—discouraging organic growth and diluting regulatory resources. ABA recommends, after a one-time adjustment to correct past inaction, linking asset thresholds to nominal GDP, which reflects the size of the economy and the scale of the banking sector. Indexing is a low-cost, high-impact reform that improves transparency, reduces arbitrary burden, and allows regulators to focus on actual risk.

¹ ABA is the voice of the nation's \$25.1 trillion banking industry, which is composed of small, regional and large banks that together employ over 2 million people, safeguard \$19.7 trillion in deposits and extend \$13.2 trillion in loans.

- H.R. 6553, the Tailoring and Indexing Enhanced Regulations (TIER) Act, led by Rep. Andy Barr (R-KY), would index various asset-based thresholds for bank regulations to nominal GDP. The bill focuses on mid-size and regional banks and primarily includes indexing for enhanced prudential standards, periodic and supervisory stress tests. While this legislation does not incorporate indexing for banks of all sizes, ABA welcomes this as a positive step forward and strongly supports the bill's methodology to tie indexing to nominal GDP. Consistent with the strong views of our members, ABA looks forward to working with the Committee to advance additional indexing legislation in the future tied to nominal GDP that provides relief for all banks, including community banks.
- H.R. 6554, the Community Bank Representation Act, by Rep. Monica De La Cruz (R-TX), would expand community bank representation on the Federal Reserve Board by providing a more explicit role in the supervision and regulation of banks with less than \$17,000,000 in total assets, indexed annually for nominal GDP. ABA appreciates the focus on promoting community banks and the precedent being set for indexing tied to nominal GDP.

Enhancing De Novo Bank Formation

Bank consolidation is a long-term trend. In fact, there are 4,316 fewer banks in the U.S. now than in 2005. ABA members believe that consolidation must be tempered by robust de novo bank creation, and our industry has always welcomed competition on a level playing field. New entrants into any industry are a sign of growth and economic opportunity, bringing new vitality to the industry and to the people and communities that they serve. Additionally, new banks stimulate enhanced product offerings and services for businesses and consumers, which translates into greater economic activity and growth in local communities. ABA commends the Committee's focus on promoting de novo formation and endorses legislation to spur the creation of new banks, including the following two bills noticed for this markup:

- H.R. 6536, Rural Depositories Revitalization Study Act, by Rep. Ralph Norman (R-SC), would require the prudential regulators to jointly study ways to improve the growth, capital adequacy, and profitability of rural depository institutions and to identify regulatory barriers to the formation of new depository institutions, and report their findings to Congress.
- H.R. 6551, the New Bank Application Numbers Knowledge Act (New BANK) Act, by Rep. Barry Loudermilk (R-GA), would require the Federal Reserve (FRB), Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the National Credit Union Administration (NCUA) to publish annual reports on applications received for federal depository institution charters, depository institution holding companies, federal deposit insurance, and State depository institution charters.

Merger Reforms

ABA applauds the Committee's interest in examining and reforming the regulatory landscape surrounding bank mergers. The current standards for assessing the competitive impact of mergers are significantly outdated and do not accurately reflect competitive conditions in today's financial services markets. By failing to capture the impacts of competition from online financial institutions and nonbank financial services providers, decisions on merger applications by the bank regulatory agencies and the DOJ may unjustifiably constrain mergers involving banks across the industry spectrum. Without meaningful reform to the merger application and review process, banks may be unable to consolidate with neighboring institutions, impairing their ability to continue serving their communities and meet the burdens of increasing regulatory and compliance costs. These constraints on bank mergers are especially problematic in an environment where the credit union industry continues to purchase banks with increasing frequency.

In addition, ABA members involved in mergers often report that the regulatory agencies do not act in a timely manner on applications, which unnecessarily increases costs, and reduces efficiencies for the institutions involved. The following two bills noticed for the markup help advance this overall effort, and we look forward to working on further legislation with the Committee.

- H.R. 6546, Merger Process Review Act, by Chairman Roger Williams (R-TX), would require the Inspector General of each Federal prudential regulator to review its merger review procedures every three years, and submit a report to Congress containing the findings and recommendations and submit a plan to Congress to implement those recommendations.
- H.R. 6570, the Merger Agreement Approvals Clarity and Predictability Act, by Rep. Scott Fitzgerald (R-WI), would require the Comptroller General to study the use of commitments, conditions, and other aspects of the merger review procedures by the prudential regulators in connection with bank merger applications.

Other Provisions and Regulatory Reforms

H.R. 6544, The Regulatory Efficiency, Verification, Itemization, and Enhanced Workflow (REVIEW) Act, by Rep. William Timmons (R-SC), would amend the *Economic Growth and Regulatory Paperwork Reduction Act of 1996* (EGRPRA) to build on the existing regulatory review process by increasing the frequency to every seven years instead of every ten years and requiring the FRB, FDIC, OCC, and the NCUA to conduct an internal review of the cumulative impact of their regulations.

In the previous Administration, the banking industry faced a "tsunami" of new rules and regulations from the financial regulators. In testimony and other communications with Congress

and policymakers, ABA shared our member banks' concerns about the cumulative impact of uncoordinated regulatory initiatives. Requiring the agencies to review the cumulative impact of all their regulations every seven years rather than every ten years may help with identifying and potentially dealing with regulatory overreach.

H.R. 6550, the American Financial Institution Regulatory Sovereignty and Transparency (American FIRST) Act, by Rep. Barry Loudermilk (R-GA), would require the FRB, OCC, and the FDIC to include in their annual reports information on their interactions with global financial regulatory or supervisory forums like the Basel Committee. It is intended to ensure policy standardization, public transparency, and congressional oversight, which are concepts ABA members have long supported in order to identify and head off acceptance of potentially overly draconian standards set by international bodies for U.S. institutions, especially with respect to capital standards prescribed by the Basel Committee.

Resolution Authority

While ABA has not taken a public position on any legislation related to deposit insurance reform or the bank resolution process during the 119th Congress, we applaud the committee for thoughtfully approaching the study and improvement of the bank resolution framework. H.R. 6555, the Enhancing Bank Resolution Participation Act, led by Rep. Bill Huizenga (R-MI), would require the OCC, FDIC, and the FRB, to jointly study the OCC's use of shelf charters and the modified bidder process. The federal banking agencies would be required to submit a report to Congress containing the study's findings and recommendations for legislative or regulatory changes.

A similar concept was one of the ten recommendations — which ABA believes should ideally move together in a comprehensive reform package — made by a diverse group of ABA members in our August 2025 Deposit Insurance Task Force Report² which was shared with the Committee and other policymakers. Our members strongly believe that, especially when paired with the full set of recommendations, increasing the spectrum of institutions permitted to bid on failed institutions, and streamlining the process for bidding on failed institutions, as part of the Resolution process would help expand the pool of participants, increase competition, and further protect the Deposit Insurance Fund (DIF) against losses.

Housing

Finally, ABA is still reviewing the Housing for the 21st Century Act, led by Chairman French Hill (R-AR), with our member banks. We commend the Committee for advancing legislation aimed at addressing housing supply and affordability. In particular, ABA applauds the inclusion of Section 303 titled "Community Investment and Prosperity," which increases the Public Welfare Investment (PWI) cap for the Office of the Comptroller of the Currency (OCC) and the

² <https://www.aba.com/advocacy/policy-analysis/deposit-insurance-task-force-recs>

Federal Reserve from 15% to 20%. ABA supports this provision, which will make it easier for banks to make critical investments, including for Community Reinvestment Act purposes, in much needed affordable housing, financial education, and other community needs. Section 303 amends the National Bank Act and Federal Reserve Act to increase the cap under which banks are allowed to make Public Welfare Investments. Current law grants the OCC and Federal Reserve discretion to allow banks to make Public Welfare Investments up to 15% of the bank's capital stock actually paid in and unimpaired as well as the bank's unimpaired surplus. This section would give regulators discretion to increase that cap to 20%. Strategically increasing the PWI cap would allow banks to make more robust and meaningful investments that qualify as PWI activity under federal law, including:

- Investments in affordable housing
- Investments in entities receiving New Markets Tax Credits
- Investments in or support to entities that provide financial literacy, job training, or other similar assistance to low-to-moderate income (LMI) individuals or individuals in LMI areas
- Any investment or activity that would be a "qualified investment" under the Community Reinvestment Act

Even with these legislative changes, expanded public welfare investments may be inhibited by inconsistent regulatory approaches. The Board of Governors requires prior approval by the Board for certain public welfare investments – even though the OCC and FDIC do not. This additional regulatory step inhibits state member banks from making investments that they would otherwise make and could limit the effectiveness of the expanded cap included in this legislation. In addition to advancing today's legislation, ABA strongly urges the Board of Governors to update their regulatory approach and all regulators to review and revise their regulations in this area to ensure consistency and efficacy.

Conclusion

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

