

COMMUNITY BANK REPRESENTATION 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

together with

MINORITY VIEWS

[To accompany H.R. 6554]

The Committee on Financial Services, to whom was referred the bill (H.R. 6554) to amend the Federal Reserve Act to specify additional responsibilities of the member of the Board of Governors of the Federal Reserve System who was appointed as the member with experience working in or supervising community banks, 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 “Community Bank Representation Act”.

SEC. 2. COMMUNITY BANK MEMBER OF THE BOARD OF GOVERNORS.

(a) **FEDERAL RESERVE ACT.**—Section 10 of the Federal Reserve Act is amended—

(1) in the first undesignated paragraph (12 U.S.C. 241), by striking “having less than \$10,000,000,000 in total assets”;

(2) in the second undesignated paragraph (12 U.S.C. 242), by inserting after “regulation of such firms.” the following: “The Chairman shall select one member of the Board with demonstrated primary experience working in or supervising community banks to, in consultation with the Vice Chairman for Supervision and any other member of the Board with demonstrated primary experience working in or supervising community banks, develop policy recommendations for the Board regarding supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets, and to oversee the supervision and regulation of such banking organizations in consultation with the Vice Chairman for Supervision and any other member of the Board with demonstrated primary experience working in or supervising community banks.”;

(3) in paragraph (12) (12 U.S.C. 247b)—

(A) by striking “The Vice Chairman for Supervision” and inserting the following:

“(A) VICE CHAIRMAN FOR SUPERVISION.—The Vice Chairman for Supervision”;

(B) by striking “and at” and inserting “at”; and

(C) by adding at the end the following:

“(B) COMMUNITY BANK MEMBER.—The member of the Board with demonstrated primary experience working in or supervising community banks selected by the Chairman to develop policy recommendations for the Board regarding supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets, and to oversee the supervision and regulation of such banking organizations, if different than the Vice Chairman for Supervision, shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives at semi-annual hearings regarding the efforts, activities, objectives, and plans of the Board with respect to the conduct of supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets.”; and

(4) by adding at the end the following:

“(13) MEMBER OF THE BOARD FOR COMMUNITY BANKS ANNUAL THRESHOLD ADJUSTMENT.—

“(A) IN GENERAL.—At the end of each year for which the nominal gross domestic product of the United States increases (a ‘covered year’), the Board shall adjust each dollar figure described in the second undesignated paragraph of this section, paragraph (12)(B) of this section, and section 1004(a)(3) of the Federal Financial Institutions Examination Council Act of 1978 by a percentage equal to the percentage increase (if any) between—

“(i) the nominal gross domestic product of the United States for the year, during the preceding 5 years, with respect to which the nominal gross domestic product of the United States was the highest; and

“(ii) the nominal gross domestic product of the United States for the covered year.

“(B) DETERMINATION OF GDP.—In this paragraph, the Board shall use nominal gross domestic product statistics determined by the Bureau of Economic Analysis.”.

(b) **FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT OF 1978.**—Section 1004(a)(3) of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3303(a)(3)) is amended by adding at the end the following: “and such Governor shall consult with the Governor with demonstrated primary experience working in or supervising community banks selected by the Chairman of the Board to develop policy recommendations for the Board regarding supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets, and to oversee the supervision and regulation of such banking organizations.”.

PURPOSE AND SUMMARY

H.R. 6554, the *Community Bank Representation Act*, was introduced on December 10, 2025, by Republican Representative Monica De La Cruz (TX-15). The bill expands the role of the community bank representative on the Federal Reserve Board (FRB) to provide them with a more explicit role in the supervision and regulation of banking organizations with less than \$17 billion in total assets that the FRB supervises. Specifically, the bill authorizes the community bank representative to oversee the supervision and regulation of community banks in consultation with the Vice Chairman for Supervision and any other member of the FRB with community bank experience; offer policy recommendations to the FRB; testify twice a year before the Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Financial Services; and consult with the Governor designated by the Chairman of the FRB to serve on the Federal Financial Institutions Examination Council, if different from the community bank representative. The bill updates the \$17 billion figure for nominal GDP annually.

BACKGROUND AND NEED FOR LEGISLATION

The *Terrorism Risk Insurance Program Reauthorization Act of 2014*¹, which passed the House on an overwhelmingly bipartisan basis by a vote of 417 to 7, included a provision that requires the President to appoint at least one member to the FRB with demonstrated primary experience working in or supervising community banks. This important step recognized the need for community banks to have a voice on the FRB given that it is the primary supervisor for bank holding companies at the holding company level and state-chartered banks who are members of the Federal Reserve System.² As of 2025, they supervise 3,367 community banking organizations with \$3 trillion in assets.³ For comparison, the FRB only supervises 100 regional banking organizations, 173 large and foreign banking organizations, and eight global systemically important banking organizations.⁴

Despite the FRB's role in the supervision of community banks and community bank holding companies, only the Vice Chair for Supervision, who may lack experience with community banks and thus an understanding of the unique challenges they face, has an explicit statutory role to issue recommendations to the full FRB on supervision and regulation and testify before Congress semiannually. This bill ensures that the existing community bank representative has a seat at the table when it comes to the supervision and regulation of community banks.

COMMITTEE CONSIDERATION

119TH CONGRESS

On December 10, 2025, Representative De La Cruz introduced H.R. 6554, the *Community Bank Representation Act*. Representa-

¹ S. 2244, <https://www.congress.gov/bill/113th-congress/senate-bill/2244>.

² Labonte, Marc. Bank Holding Companies: Background and Issues for Congress, Congressional Research Service (Dec. 5, 2024), <https://crsreports.congress.gov/product/pdf/R/R48291/>.

³ BD. OF GOVS. OF THE FED. RESERVE SYSTEM, SUPERVISION AND REGULATION REPORT (Dec. 2025).

⁴ Id.

tives Roger Williams (R-TX), Pete Sessions (R-TX), and Zach Nunn (R-IA) were added subsequently as cosponsors.

The bill was referred solely to the Committee on Financial Services. A draft version of H.R. 6554 was attached to the July 15, 2025, hearing titled “Dodd-Frank Turns 15: Lessons Learned and the Road Ahead.”

On December 16, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 6554. The Committee ordered H.R. 6554, 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 hearing was used to develop H.R. 6554:

On July 15, 2025, the Committee on Financial Services held a hearing titled, “Dodd-Frank Turns 15: Lessons Learned and the Road Ahead.” The Committee heard testimony from: the Honorable Ken Bentsen, President and CEO, Securities Industry and Financial Markets Association; Mrs. Lindsey Johnson, President and CEO, Consumer Bankers Association; Mr. Tom Quaadman, Chief of Government Affairs and Public Policy, Investment Company Institute; Dr. Paul H. Kupiec, Senior Fellow, American Enterprise Institute; and Mr. Dennis Kelleher, Co-founder, President, and Chief Executive Officer, Better Markets.

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. 6554, as amended, to be reported favorably to the House by a recorded vote of 29 yeas and 22 nays, a quorum being present. (Record Vote No. FC-211).

Before the question to report was called, the Committee adopted an amendment in the nature of a substitute offered by Representative De La Cruz, designated DELACR 056, which made minor edits and technical changes. The amendment was adopted by voice vote.

Committee on Financial Services

Markup 9

Bill: H.R. 6554

December 16, 2025

Measure: H.R. 6554 (as amended)

Amdt/Designated:

Motion: to report favorably

Record Vote No.

FC-211

Disposition:

AGREED TO (29-22)

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		0	22	2

Committee Totals:

29	22	3
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. 6554 is to provide community banks a greater voice in shaping agency policy through a more explicit role for the community bank representative at the FRB.

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. 6554. 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 “*Community Bank Representation Act*”.

Section 2. Community bank member of the Board of Governors

Section 2 amends the Federal Reserve Act to increase the threshold for the FRB member with demonstrated primary experience working in or supervising community banks from less than \$10 billion to less than \$17 billion. This section amends the Federal Reserve Act to require the Chairman of the Board to select one member of the Board with demonstrated primary experience working in or supervising community banks to consult with the Vice Chairman for Supervision to develop policy recommendations for the Board regarding the supervision and regulation of banks supervised by the Board with less than \$17 billion.

Section 2 amends the Federal Reserve Act to require the member of the Board with demonstrated primary experience working in or supervising community banks, if different than the Vice Chair for Supervision, to testify before Congress at semi-annual hearings.

Section 2 also indexes the \$17 billion threshold to nominal gross domestic product (GDP) at the end of each year for which the nominal GDP of the US increases.

Section 2 amends the Federal Financial Institutions Examination Council Act of 1978 to require the member chosen by the Chair of the Board to serve on the Federal Financial Institutions Examination Council to consult with the Governor with demonstrated primary experience working in or supervising community banks to develop policy recommendations for the Board regarding the supervision and regulation of banks supervised by the Board having less than \$17 billion in assets.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

FEDERAL RESERVE ACT

* * * * *

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SEC. 10. The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall be composed of seven members, to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the Banking Act of 1935, for terms of fourteen years except as hereinafter provided, but each appointive member of the Federal Reserve Board in office on such date shall continue to serve as a member of the Board until February 1, 1936, and the Secretary of the Treasury and the Comptroller of the Currency shall continue to serve as members of the Board until February 1, 1936. In selecting the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. In selecting members of the Board, the President shall appoint at least 1 member with demonstrated primary experience working in or supervising community banks [having less than \$10,000,000,000 in total assets]. The members of the Board shall devote their entire time to the business of the Board and shall each receive an annual salary of \$15,000, payable monthly, together with actual necessary traveling expenses.

The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President. Of the persons thus appointed, 1 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairman of the Board for a term of 4 years, and 2 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairmen of the Board, each for a term of 4 years, 1 of whom shall serve in the absence of the Chairman, as provided in

the fourth undesignated paragraph of this section, and 1 of whom shall be designated Vice Chairman for Supervision. The Vice Chairman for Supervision shall develop policy recommendations for the Board regarding supervision and regulation of depository institution holding companies and other financial firms supervised by the Board, and shall oversee the supervision and regulation of such firms. *The Chairman shall select one member of the Board with demonstrated primary experience working in or supervising community banks to, in consultation with the Vice Chairman for Supervision and any other member of the Board with demonstrated primary experience working in or supervising community banks, develop policy recommendations for the Board regarding supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets, and to oversee the supervision and regulation of such banking organizations in consultation with the Vice Chairman for Supervision and any other member of the Board with demonstrated primary experience working in or supervising community banks.* The chairman of the Board, subject to its supervision, shall be its active executive officer. Each member of the Board shall within fifteen days after notice of appointment make and subscribe to the oath of office. Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Any person appointed as a member of the Board after the date of enactment of the Banking Act of 1935 shall not be eligible for reappointment as such member after he shall have served a full term of fourteen years.

The Board of Governors of the Federal Reserve System shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year, and such assessments may include amounts sufficient to provide for the acquisition by the Board in its own name of such site or building in the District of Columbia as in its judgment alone shall be necessary for the purpose of providing suitable and adequate quarters for the performance of its functions. After September 1, 2000, the Board may also use such assessments to acquire, in its own name, a site or building (in addition to the facilities existing on such date) to provide for the performance of the functions of the Board. After approving such plans, estimates, and specifications as it shall have caused to be prepared, the Board may, notwithstanding any other provision of law, cause to be constructed on any site so acquired by it a building or buildings suitable and adequate in its judgment for its purposes and proceed to take all such steps as it may deem necessary or appropriate in connection with the construction, equipment, and furnishing of such building or buildings. The Board may maintain, enlarge, or remodel any building or buildings so acquired or constructed and shall have sole control of such building or buildings and space therein.

The principal offices of the Board shall be in the District of Columbia. At meetings of the Board the chairman shall preside, and, in his absence, the vice chairman shall preside. In the absence of

the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore. The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal Reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this Act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith; and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys. No member of the Board of Governors of the Federal Reserve System shall be an officer or director of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the Board of Governors of the Federal Reserve System he shall certify under oath that he has complied with this requirement, and such certification shall be filed with the secretary of the Board. Whenever a vacancy shall occur, other than by expiration of term, among the six members of the Board of Governors of the Federal Reserve System appointed by the President as above provided, a successor shall be appointed by the President, by and with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of his predecessor.

The President shall have power to fill all vacancies that may happen on the Board of Governors of the Federal Reserve System during the recess of the Senate by granting commissions which shall expire with the next session of the Senate.

Nothing in this Act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and wherever any power vested by this Act in the Board of Governors of the Federal Reserve System or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

The Board of Governors of the Federal Reserve System shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. The report required under this paragraph shall include the reports required under section 707 of the Equal Credit Opportunity Act, section 18(f)(7) of the Federal Trade Commission Act, section 114 of the Truth in Lending Act, and the tenth undesignated paragraph of this section.

No Federal Reserve bank may authorize the acquisition or construction of any branch building, or enter into any contract or other obligation for the acquisition or construction of any branch building, without the approval of the Board.

The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies

and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies determined by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph.

(12) APPEARANCES BEFORE CONGRESS.—**[The Vice Chairman for Supervision]**

(A) *VICE CHAIRMAN FOR SUPERVISION.*—*The Vice Chairman for Supervision shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives [and at] at semi-annual hearings regarding the efforts, activities, objectives, and plans of the Board with respect to the conduct of supervision and regulation of depository institution holding companies and other financial firms supervised by the Board.*

(B) *COMMUNITY BANK MEMBER.*—*The member of the Board with demonstrated primary experience working in or supervising community banks selected by the Chairman to develop policy recommendations for the Board regarding supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets, and to oversee the supervision and regulation of such banking organizations, if different than the Vice Chairman for Supervision, shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives at semi-annual hearings regarding the efforts, activities, objectives, and plans of the Board with respect to the conduct of supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets.*

(13) *MEMBER OF THE BOARD FOR COMMUNITY BANKS ANNUAL THRESHOLD ADJUSTMENT.*—

(A) *IN GENERAL.*—*At the end of each year for which the nominal gross domestic product of the United States increases (a “covered year”), the Board shall adjust each dollar figure described in the second undesignated paragraph of this section, paragraph (12)(B) of this section, and section 1004(a)(3) of the Federal Financial Institutions Examination Council Act of 1978 by a percentage equal to the percentage increase (if any) between—*

(i) the nominal gross domestic product of the United States for the year, during the preceding 5 years, with respect to which the nominal gross domestic product of the United States was the highest; and

(ii) the nominal gross domestic product of the United States for the covered year.

(B) *DETERMINATION OF GDP.*—*In this paragraph, the Board shall use nominal gross domestic product statistics determined by the Bureau of Economic Analysis.*

* * * * *

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT OF 1978

* * * * *

TITLE X—FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

* * * * *

ESTABLISHMENT OF THE COUNCIL

SEC. 1004. (a) There is established the Financial Institutions Examination Council which shall consist of—

- (1) the Comptroller of the Currency,
- (2) the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation,
- (3) a Governor of the Board of Governors of the Federal Reserve System designated by the Chairman of the Board, *and such Governor shall consult with the Governor with demonstrated primary experience working in or supervising community banks selected by the Chairman of the Board to develop policy recommendations for the Board regarding supervision and regulation of banking organizations supervised by the Board having less than \$17,000,000,000 in total assets, and to oversee the supervision and regulation of such banking organizations,*
- (4) the Director of the Consumer Financial Protection Bureau,
- (5) the Chairman of the National Credit Union Administration Board, and
- (6) the Chairman of the State Liaison Committee.

(b) The members of the Council shall select the first chairman of the Council. Thereafter the chairmanship shall rotate among the members of the Council.

(c) The term of the Chairman of the Council shall be two years.

(d) The members of the Council may, from time to time, designate other officers or employees of their respective agencies to carry out their duties on the Council.

(e) Each member of the Council shall serve without additional compensation but shall be entitled to reasonable expenses incurred in carrying out his official duties as such a member.

* * * * *

DOCUMENTS INCLUDED BY UNANIMOUS CONSENT



Jack E. Hopkins, Chairman
 Alice P. Frazier, Chairman-Elect
 Michael J. Burke, Jr., Vice Chairman
 Quentin Leighty, Treasurer
 Douglas E. Parrott, Secretary
 Lucas White, Immediate Past Chairman
 Rebeca Romero Rainey, President and CEO

December 16, 2025

The Honorable French Hill
 Chairman
 Committee on Financial Services
 U.S. House of Representatives
 Washington, D.C. 20515

The Honorable Maxine Waters
 Ranking Member
 Committee on Financial Services
 U.S. House of Representatives
 Washington, D.C. 20515

Re: Support for Markup Legislation

Dear Chairman Hill and Ranking Member Waters:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write to thank you for scheduling a markup on Tuesday, December 16 and to share our views on several bills that will be considered. ICBA urges members of the Committee to vote YES on the following bills.

H.R. 5577, the NFIP Extension Act of 2026 (Rep. Andrew Garbarino)

H.R. 5577 would extend the National Flood Insurance Program (NFIP) until September 30, 2026. The NFIP gives critical support to community banks by providing affordable, reliable flood insurance for both residential and commercial properties securing both consumer and business loans. Passage of this bill would prevent any lapse in the NFIP that would disrupt the mortgage and lending process. ICBA also supports a long-term authorization of the NFIP that would eliminate the uncertainty caused by repeated short-term authorizations and would ensure that the program is structured to be fiscally responsible, actuarially sound, affordable, and inclusive.

H.R. 6536, the Rural Depositories Revitalization Study Act (Rep. Ralph Norman)

H.R. 6536 would require the Federal banking agencies to study improving the growth, capital adequacy, and profitability of rural depository institutions. Community banks play a vital role in America's rural economies. The study required by this bill could help develop a better understanding and appreciation of these banks' unique characteristics and promote regulatory initiatives that would strengthen them so that they can better serve their communities.

H.R. 6554, the Community Bank Representation Act (Rep. Monica De La Cruz)

At the urging of ICBA, Congress created a designated community bank seat on the Federal Reserve Board in 2015 to be filled by a member with experience working in or supervising community banks with less than \$10 billion in total assets. The community bank seat, currently filled with distinction by Vice Chairman for Supervision Michelle Bowman, has ensured that the community bank perspective is directly represented in the Board's deliberations on monetary policy and bank regulation.

H.R. 6554 would raise this threshold from \$10 billion to \$17 billion and provide for future increases that reflect the growth of the American economy. This bill would ensure that community bank representation on the Federal Reserve Board keeps pace with the evolving community banking industry.

H.R. 6544, the *Regulatory Efficiency, Verification, Itemization, and Enhanced Workflow (REVIEW) Act* (Rep. William Timmons)

H.R. 6544 would amend the Economic Growth and Regulatory Paperwork Reduction Act of 1996 to provide for agency review of regulatory impact every five years, rather than every 10 years. The bill would also add more specificity to agency review to ensure that it assesses the cumulative impact of regulation on consumer and business access to financial products, credit availability, costs and benefits of such regulation, and other considerations. ICBA believes that more frequent EGRPRA review could promote needed regulatory relief.

H.R. 6552, the *Bank-Fintech Partnership Enhancement Act* (Rep. Andy Barr)

H.R. 6552 would require the federal banking agencies to study how partnerships between fintechs and banking organizations can support new banking organization formation and community bank health. The study would consider how such partnerships could reduce time to market for products and services, lower compliance burdens, and support customer acquisition, among other considerations. In addition, the study would recommend regulatory changes to promote partnerships. ICBA believes the proposed study would be valuable in deepening policymakers' understanding of bank-fintech partnerships and helping them craft policies to support them.

Enactment of the above bills would promote reform of our financial regulatory system and strengthen community banks to better serve their local communities.

Thank you for your consideration.

Sincerely,
/s/
Rebeca Romero Rainey
President & CEO

CC: Member of the House Committee on Financial Services



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.

MINORITY VIEWS

H.R. 6554 would needlessly complicate an already complex bank regulatory framework with three Federal prudential regulators by further bifurcating supervision and regulation duties at the Board of Governors of the Federal Reserve System (“Fed”), isolating most but not all community bank regulation and supervision. At the Fed Chair’s discretion, those duties could remain with the Vice Chair of Supervision (who is nominated by the President and confirmed by Senate) or be given to a separate Fed Governor with demonstrated community bank experience (however, they would not be nominated by the President or confirmed by the Senate for this leadership role), who would be required to testify before Congress semiannually alongside the Vice Chair of Supervision.

The bill would also increase the definition of a community bank with an asset cap of \$17 billion (instead of \$10 billion) and continue to index that threshold up every year based on nominal GDP growth, a metric that Trump’s FDIC recently rejected in preference for inflation-based measures. The resulting framework would create a new rift in regulatory capital policy, whereby the Fed Chair could appoint a governor to drive capital policy for both community banks eligible for the Community Bank Leverage Ratio (currently those with less than \$10 billion in assets, though a bill has been introduced to increase this threshold to \$15 billion) and, oddly, for banks that are too large for the CBLR capital framework but under \$17 billion in assets, while the Vice Chair for Supervision would be responsible for banks above \$17 billion. Moreover, the bill draws lines solely based on asset size and does not consider or permit the Fed to consider a bank’s risk profile or business model in determining how supervisory and regulatory responsibility should be allocated. Following the 2008 financial crisis, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”).

Dodd-Frank included a number of reforms to strengthen how banks were regulated, including getting rid of the Office of Thrift Supervision (“OTS”) which was the weakest of bank regulators. The law also created the Vice Chair of Supervision position, a Presidentially-appointed and Senate-confirmed position, to the Fed. This position was designed to ensure there was one designated Governor to lead the Fed’s supervisory and regulatory duties, something that was not prioritized prior to the 2008 financial crisis. Later, in 2015, Congress enacted another statute to require the President to nominate one Board Governor with community bank experience to ensure that perspective was included in the 7-member Board of Governors. The first person to serve in that capacity was Michelle Bowman, who first served as Governor starting in 2018 and became Vice Chair of Supervision this year.

Instead of streamlining the bank regulatory system, this bill seems designed to relitigate past disputes when Bowman disagreed with the direction of the Fed's supervision and regulation when she served as Governor and Michael Barr served as Vice Chair of Supervision. Bowman would routinely dissent from proposals advanced by Barr, and this bill would have allowed her to have a co-equal role without going through a Senate confirmation process.¹

It is worth observing that the other banking regulators—the Federal Deposit Insurance Corporation (“FDIC”) and Office of the Comptroller of the Currency (“OCC”)—do not have a bifurcation of duties between principals when it comes to regulating and supervising community banks compared to larger banks. While there are deputies and staff that carry out many of the supervisory and regulatory work, the OCC is led by one Comptroller setting the direction of the agency. The FDIC is run by a 5-member board, but again, there is no bifurcation between FDIC Board members where one is given authority over community banks and another board member handles other regulated entities.

H.R. 6554 is opposed by Americans for Financial Reform. Furthermore, just two years after the Fed's supervisory failures contributed to the failure of Silicon Valley Bank (“SVB”), this bill does nothing to address those concerns. At a time when the President has engaged in an unprecedented attack on the Fed's independence, with his attacks on Chair Powell and his attempted firing of Governor Lisa Cook, this bill would elevate a Fed official and give them new duties without giving the Senate its typical advice and consent role in the same way it has with the Vice Chair of Supervision.

For these reasons, we oppose H.R. 6554.

Sincerely,

MAXINE WATERS,
Ranking Member.
 AL GREEN,
 BILL FOSTER,
 JOYCE BEATTY,
 RASHIDA TLAIB,
 SYLVIA R. GARCIA,
 NIKEMA WILLIAMS,
Members of Congress.

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¹See Wall Street Journal, *How Trump's Ally at the Fed Is Remaking Bank Oversight* (Jan. 25, 2026); and New York Times, *The Fed Is Cutting Bank Oversight. Critics See Risks.* (Nov. 17, 2025).