

February 15, 2023

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

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

Re: Promoting Access to Capital in Underbanked Communities Act of 2023 (H.R. 758)

Dear Chairman McHenry and Ranking Member Waters:

The American Bankers Association (ABA) welcomes and strongly supports H.R. 758, “Promoting Access to Capital in Underbanked Communities Act of 2023” which was recently introduced by Rep. Andy Barr (R-KY). The bill would establish a three-year phase-in period for new banks to comply with federal capital standards, among other provisions designed to promote and sustain de novo banking.

Today, there are 4,087 fewer banks in the United States (4,746 total) than there were in 2005 (8,833), a precipitous 46.3 percent decline. Of the banks active today, only 55 were established after 2010.

By facilitating the formation of new banks in urban and rural areas, this legislation expands banking access for both individuals and small- and medium-sized businesses. The bill would unlock economic opportunity, growth, and investment in communities most in need, while also promoting competition. The temporary regulatory adjustments provided in this bill are a reasonable step to encourage formation of de novo banks that will be well equipped to meet the banking and financial needs of their local customers and communities. The bill should readily receive bipartisan interest and support.

We encourage you and your membership to bring this bill before the Committee for prompt consideration and action. We would be pleased to meet with you and your staff to discuss this legislation that would expand access to banking services and promote financial inclusion.

Sincerely,



Cc: Members of the House Committee on Financial Services