



Kirsten Sutton
Executive Vice President
Congressional Relations & Legislative Affairs
202-663-5356
ksutton@aba.com

March 13, 2025

The Honorable Tim Scott
Chairman
United State Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Financial Integrity and Regulation Management (FIRM) Act (S. 875)

Dear Chairman Scott:

The American Bankers Association (ABA) writes today in support of the S. 875, the *Financial Integrity and Regulation Management (FIRM) Act*, recently introduced on March 6. We welcome your efforts to prohibit the Federal Reserve, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Consumer Financial Protection Bureau, and National Credit Union Administration from implementing subjective oversight akin to “Operation Chokepoint” in the future by removing reputational risk as a component of federal supervision when determining the safety and soundness of regulated depository institutions.

Beginning in 2013, the U.S. Department of Justice and federal banking regulators forced banks to terminate relationships with a number of politically disfavored customers through Operation Chokepoint. This government-led effort to inappropriately limit access to vital financial services for specific customers or groups of customers significantly undermined the banking industry by unduly pressuring banks into making unnecessary derisking decisions. While this policy was eliminated during the first Trump administration, supervisory and regulatory pressure pushed banks away from certain relationships again beginning in 2021. It is clear that a more durable legislative solution is required to curb this practice over the long term.

America’s banks are in the business of providing financial services to as many individuals and businesses as possible. The FIRM Act restores banks’ flexibility to serve their customers, clients and communities without political interference and ensures that legal businesses can find a bank that meets their needs. This commonsense legislation reinforces that access to banking services should be determined by the free market and prudent risk management, not the personal perspectives of regulators.

Thank you for your leadership in advancing this important legislation.

Sincerely,

A handwritten signature in cursive script that reads 'Kirsten Sutton'.

Cc: Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs