

April 2, 2025

The Honorable Andy Barr  
United States House of Representatives  
2430 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Cindy Hyde-Smith  
United States Senate  
702 Hart Senate Office Building  
Washington, D.C. 20510

Re: ABA Letter of Support re H.R. 478/S. 113, Promoting New Bank Formation Act

Dear Rep. Barr and Sen. Hyde-Smith:

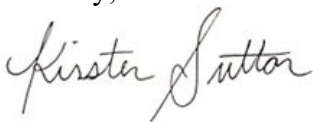
The American Bankers Association (ABA)<sup>1</sup> writes today in support of the *Promoting New Bank Formation Act*, introduced on Jan. 16. We welcome your efforts to incentivize the creation of new banks by establishing a three-year phase-in period for new banks to comply with federal capital standards, among other provisions designed to promote and sustain de novo banking.

Today, there are 4,316 fewer banks in the United States (4,517) than in 2005 (8,833), a precipitous 48.9 percent decline. Of the banks active today, only 79 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 de novo formation of banks that will be well equipped to serve and respond to the pressing banking and financial needs of their local communities. We believe that maintaining a robust, diverse banking industry is critical to ensuring access to capital across the country and should be a bipartisan issue.

Thank you for your leadership on this important legislation.

Sincerely,



Cc: Members of the House Committee on Financial Services and Senate Committee on Banking, Housing, and Urban Affairs

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<sup>1</sup> The American Bankers Association (ABA) is the voice of the nation's \$24.1 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$19.2 trillion in deposits and extend \$12.7 trillion in loans.