

May 5, 2021

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

The Honorable Patrick McHenry  
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 2021 (H.R. 2561)

Dear Chairwoman Waters and Ranking Member McHenry:

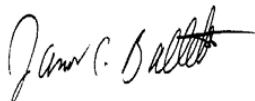
The American Bankers Association (ABA) welcomes and supports H.R. 2561, “Promoting Access to Capital in Underbanked Communities Act of 2021,” which was recently introduced by Rep. Andy Barr (R-Ky). The bill would establish a three-year phase-in period for new banks to comply with federal capital standards, among other provisions designed to promote and sustain de novo banking.

Today, there are 3,832 fewer banks in the United States (5,001) than in 2005 (8,833), a precipitous 43% decline. Of the banks active today, only 34 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. 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 further would be pleased to meet with you and your staff to discuss this legislation.

Sincerely,



James C. Ballentine

cc: Members of the House Financial Services Committee