

## MEMORANDUM

**TO:** Members of the Committee on Financial Services

**FROM:** Committee Majority Staff

**DATE:** April 24, 2025

**SUBJECT:** April 29, 2025, Subcommittee on Financial Institutions Hearing: “Regulatory Overreach: The Price Tag on American Prosperity.”

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On Tuesday, April 29, 2025, at 10:00 a.m. EDT, the Subcommittee on Financial Institutions will hold a hearing in Room 2128 of the Rayburn House Office Building, entitled “Regulatory Overreach: The Price Tag on American Prosperity.” The following witnesses will testify:

- **Ms. Sarah Flowers**, Senior Vice President, Senior Associate General Counsel, Bank Policy Institute
- **Mr. J. Michael Radcliffe**, Chairman and Chief Executive Officer, Community Financial Services Bank (Benton, KY)
- **Mrs. Margaret E. Tahyar**, Partner, Head of Financial Institutions Group, Davis Polk & Wardwell LLP
- **The Honorable Graham Steele**, Academic Fellow, Rock Center for Corporate Governance, Stanford Law School

This hearing, part of the Committee’s “Make Community Banking Great Again” initiative, focuses on promoting regulatory fairness, transparency, and appropriately scaled oversight within the financial system. It will explore reforms to increase accountability in bank supervision and enhance interagency coordination, with the goal of establishing a more efficient and tailored regulatory framework that reflects the size and complexity of financial institutions while preserving financial stability and public trust.

### Legislation Noticed

1. **H.R. \_\_\_\_\_, the Taking Account of Institutions with Low Operation Risk of 2025 Act of 2025 (TAILOR Act of 2025) (Loudermilk):** This discussion draft requires federal regulators to tailor supervisory actions to minimize burdens on institutions, reduce reporting for eligible community banks, and report on the modernization of bank supervision.
2. **H.R. 2702, the Financial Integrity and Regulation Management Act (FIRM Act) (Barr):** This bill curtails political weaponization by eliminating reputational risk as a component of the supervision of depository institutions.
3. **H.R. \_\_\_\_\_, the International Regulatory Transparency and Accountability Act (Flood):** This discussion draft mandates that federal banking agencies disclose details of international discussions, report to Congress on positions taken, publish meeting summaries,

and hold public comment periods for international agreements.

4. **H.R. \_\_\_\_\_, the Ensuring U.S. Authority over U.S. Banking Regulations Act (Loudermilk):** This discussion draft requires the federal banking agencies to disclose major rule implementations, submit economic analyses to Congress, and report on climate-related financial risk engagements with international organizations.
5. **H.R. \_\_\_\_\_, the Congressional Banking Regulation Priorities and Accountability Act of 2025 (Barr):** This discussion draft mandates federal banking agencies report and seek Congressional approval before joining or participating in international organizations, disclose related policies, and ensure transparency in their international engagements.
6. **H.R. \_\_\_\_\_, the Banking Regulator International Reporting Act (Barr):** This discussion draft would require annual reporting by federal banking agencies on interactions with non-governmental international organizations.
7. **H.R. \_\_\_\_\_, the Guidance Clarity Act of 2025:** This discussion draft requires federal financial regulatory agencies to clearly state on the first page of guidance documents that they have no legal force and are meant to clarify existing laws or policies, with the Office of Management and Budget (OMB) overseeing implementation.
8. **H.R. \_\_\_\_\_, the FDIC Board Accountability Act (Huizenga):** This discussion draft removes the CFPB Director as a voting member of the FDIC board, mandates the appointment of a member with experience in small depository institutions, and limits board members' terms to twelve years.
9. **H.R. \_\_\_\_\_, the Federal Reserve Financial Accountability and Transparency Act (Williams):** This discussion draft mandates additional reporting requirements in the Federal Reserve's annual report about its expenses and research.
10. **H.R. \_\_\_\_\_, the Banking Regulator Accountability Act (De La Cruz):** This discussion draft requires the principals of the FDIC, OCC, and NCUA to testify semiannually alongside the Federal Reserve Vice Chair for Supervision.
11. **H.R. 2808, the Homebuyers Privacy Protection Act (Rose):** This bill prohibits a credit reporting agency from providing a consumer's credit report to a third party in connection with a residential mortgage transaction unless (1) the third party provides documentation certifying that it has the consumer's consent; or (2) the third party has originated the mortgage, is the current loan servicer, or has a current specified banking relationship with the consumer.
12. **H.R. 1181, the Protecting Privacy in Purchases Act (Moore):** This bill prohibits payment card networks from requiring the use of or assigning Merchant Category Codes (MCCs) that distinguish a firearms retailer from general-merchandise or sporting-goods retailers.
13. **H.R. \_\_\_\_\_, the CAMELS Rating Modernization Act of 2025:** This discussion draft

requires the Federal Financial Institutions Examination Council (FFIEC) to develop recommendations to amend the CAMELS ratings framework and mandates federal banking agencies implement the recommendations.

**14. H.R. \_\_\_\_\_, the Tailored Regulatory Updates for Supervisory Testing Act of 2025 (TRUST Act of 2025):** This discussion draft raises the consolidated asset threshold from \$3 billion to \$10 billion for banks to qualify for an 18-month examination cycle.

**15. H.R. \_\_\_\_\_, the Supervisory Modifications for Appropriate Risk-based Testing Act of 2025 (SMART Act of 2025):** This discussion draft provides well-managed and well-capitalized financial institutions under \$10 billion in assets with regulatory relief, such as alternating limited-scope examinations and a combined safety-and-soundness exam and consumer compliance exam.