

July 27, 2021

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

The Honorable Patrick McHenry  
Ranking Member  
House Committee on Financial Services  
Washington, D.C. 20515

Re: ABA Support for H.R. 4590, the Promoting New and Diverse Depository Institutions Act

Dear Chairwoman Waters and Ranking Member McHenry:

The American Bankers Association (ABA) welcomes and supports H.R. 4590, the Promoting New and Diverse Depository Institutions Act, introduced by Representative Jake Auchincloss (D-MA-4). This legislation, as amended, will require the federal banking regulators to conduct a study about the challenges faced by proposed depository institutions, including proposed minority depository institutions, seeking de novo depository institution charters.

Today, there are 3,855 fewer banks in the United States (4,978) than in 2005 (8,833), a precipitous 43.6% decline. Of the banks active today, only 37 were established after 2010. The study required in this legislation will provide the long overdue analysis and strategic plan needed to help proposed depository institutions (including proposed minority depository institutions) successfully apply for de novo depository institution charters in a manner that promotes increased availability of banking and financial services and other consumer-targeted objectives.

ABA has long supported legislative and regulatory efforts that facilitate the formation of new banks in our country. Legislation like this and measures introduced by Financial Services Committee member Representative Andy Barr (R-KY-6) will help unlock economic opportunity, growth, and investment in communities most in need.

We applaud the Committee for their commitment to this important issue and we strongly urge members to support H.R. 4590 when it is considered before the Committee on July 28th.

Sincerely,



cc: Members of the House Committee on Financial Services