

## Fair Access to Banking Legislation

Legislation in the U.S. House of Representatives and U.S. Senate seeks to prevent discrimination by banks and financial service providers against customers in certain industries, including debt collection.

S. 293, sponsored by U.S. Sen. Kevin Cramer, R-N.D., was reintroduced in the 118th Congress.

“The purpose of the Fair Access to Banking Act is to protect fair access to financial services and to ensure banks operate in a safe and sound manner, basing their judgments and decisions on impartial, individualized risk-based analysis developed through empirical data and evaluated under quantifiable standards,” according to Cramer’s office.

U.S. Rep. Andy Barr, R-Ky., introduced the House version of the Fair Access to Banking Act in April 2023, which was also proposed in the 117th Congress.

It would prohibit banks from denying fair access to financial services and codify the Fair Access Rule from the Comptroller of the Currency, mandating that “banks provide fair access to bank services, capital and credit,” according to Barr’s office.

### **ACA’s Take**

Credit and collection professionals have had their banking relationships abruptly terminated on numerous occasions since the inception of Operation Choke Point and other similar programs. While the number of ACA members impacted by banking terminations has declined since the height of Operation Choke Point, the highly questionable practice of categorical discrimination from banks against the debt collection industry continues.

In states where a banking relationship is required to have a license to operate, this threatened the existence of their businesses and their employees’ jobs. There is often little notice and no specific explanation for why a banking relationship was terminated.

- Banks should be required to make decisions about banking relationships based on individualized risk-based analysis using empirical data evaluated under quantifiable standards, rather than on categorical decisions discriminating against entire industries.
- When denying any person financial services, banks should provide written justification explaining the basis for the denial, including any specific laws or regulations the covered bank believes are being violated by the person or customer.
- While the rate of banking terminations has declined, the highly questionable practices of preventing fair access to banking continue.