Complete Update

“Fair Banking” for All

An Executive Order signed on August 7, 2025, titled “*Guaranteeing Fair Banking for All Americans*,” directs federal agencies to combat “debanking” - the denial or termination of financial services based on political views, religious beliefs, or industry affiliation.

The Order outlines specific timelines for federal agencies and financial regulators to implement changes. The key timelines are as follows:

1. Small Business Administration (SBA) – Within 60 days, the SBA must issue a notice to SBA Lenders requiring:

- Review of past denials for possible politicized/unlawful debanking.
- Reinstatement of eligible clients and notification of reinstatement.

2. All Federal Banking Regulators – Within 120 days, the regulators must:

- Identify financial institutions with current or past policies that enable politicized/unlawful debanking.
- Take appropriate remedial actions (fines, consent decrees, and disciplinary measures).

3. Treasury Secretary – Within 180 days, the Treasury Secretary must:

- Develop a comprehensive strategy to combat politicized/unlawful debanking, including possible legislative and regulatory proposals.

4. All Federal Banking Regulators – Within 180 days, the regulators must:

- Remove “Reputation Risk” from guidance, manuals, and supervisory materials.
- Issue Guidance to Examiners on the Elimination of Reputation Risk.
- Consider revising or rescinding regulations that could enable politicized/unlawful debanking.
- Review supervisory and complaint data for religious-based debanking violations.
- Refer unresolved violations to the Department of Justice.

In preparation for these changes, CCI suggests considering the following:

- Document risk-based decision-making processes for account denials or closures.
- Establish procedures to analyze previously denied clients for potential reinstatement, if your institution participates in SBA programs.
- Internal Audit of Past Account Closures to identify potential debanking issues.
- Identify products and business lines that present a risk of religious discrimination in commercial lending.

- Monitor regulatory guidance and enforcement trends over the coming months.

The Executive Order titled "*Guaranteeing Fair Banking for All Americans*" can be found **here**. CCI suggests you forward this information to your Compliance Officer, operations, and lending staff. As always, CCI is happy to help with any compliance-related questions. You can contact us via **inquiries@completecompli.com**.

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