



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES

– *RANKING MEMBER MAXINE WATERS* –

H.R. 4544, “*AMERICAN ACCESS TO BANKING ACT*”

Bill Summary: This legislation directs Federal banking and credit union regulators to streamline the formation of new banks and credit unions, referred to as *de novo* depository institutions. The bill improves the application process, strengthens support for applying institutions, supports mentorship opportunities and communication with stakeholders, as well as encourages improved coordination between Federal and State regulators to help create more *de novo* institutions. The bill also places special emphasis on creating new Minority Depository Institutions (MDIs), Community Development Financial Institutions (CDFIs), and rural depository institutions to expand financial access in underserved communities.

The Need for Legislation: The number of new bank charters in the U.S. has steadily declined in recent decades, creating barriers to competition, innovation, and inclusion in the financial system. In the years following the 2007-2009 global financial crisis and Great Recession, interest rates were at historically low levels for a significant period of time and *de novo* bank charters hit record lows. There were only 3 new charters between 2012 and 2016, and on average 6 new charters every year for the past 15 years.¹ Research from the Federal Reserve found that nearly 80% of the decline in new charter activity between 2009 and 2013 was not a result of regulatory requirements, but rather economic factors and the historically low-interest rate environment.²

Moreover, experts have raised concerns that banking regulators have largely rubber-stamped merger applications.³ These experts cite to overwhelming approval rates for mergers; for example, the Fed indicated that between 2006 and 2017, it approved 3,316 merger applications, the agency formally denied *zero* applications during that time.⁴ Ranking Member Waters and others have raised concerns that merger between Capital One and Discover may contribute to these market harms,⁵ but the Trump Administration recently approved the merger.⁶

During testimony before the Committee in May 2025, ReShonda Young, who is working to establish a minority depository institution (MDI) in Iowa, shared some of the challenges she has faced navigating the *de novo* application process.⁷ Her journey highlights the obstacles individuals who wish to start a community financial institution face, including a lengthy and outdated startup checklist, limited access to mentorship opportunities or technical guidance, and the lack of knowledge among some regulators who have not administered the approval of a *de novo* charter in years. These challenges underscore the need for a streamlined, transparent, and better supported *de novo* application procedures.

The Solution: The *American Access to Banking Act* would make a series of reforms to the *de novo* process to help promote the formation of new community banks and credit unions. These reforms are designed to reduce unnecessary burdens on applicants, help inform applicants how to navigate the process, improve communication, and strengthen coordination between regulators to further support the creation of community banks and credit unions, including MDIs, CDFIs, and rural institutions.

¹ FDIC, [BankFind Suite: Find Annual Historical Bank Data](#) (accessed Jul. 17, 2025).

² Fed, [Where Are All the New Banks? The Role of Regulatory Burden in New Charter Creation](#) (2014).

³ See Jeremy Kress, [Modernizing Bank Merger Review](#), Yale Journal on Regulation (Aug. 17, 2021); [Comment Letter](#) from Jeremy Kress to FDIC regarding comments on FDIC Policy on Bank Merger Transactions (May. 31, 2022); and Better Markets, [Bank Mergers Require Robust Scrutiny to Ensure that Consumers' Interests Are Not Sacrificed for Wall Street's Profits](#) (May 12, 2025).

⁴ See Sen. Elizabeth Warren, [Letter from Fed Chair Powell to Sen. Warren](#) (May 10, 2018).

⁵ FSC, [Waters Testifies Against Proposed Capital One-Discover Merger at Regulators' Public Meeting](#) (Jul. 19, 2024).

⁶ FSC, [Ranking Member Maxine Waters Slams Trump Administration's Approval of Capital One-Discover Merger](#) (Apr. 21, 2025).

⁷ FSC, [Testimony of ReShonda Young on Enhancing Competition: Shaping the Future of Bank Mergers and De Novo Formation](#) (May 14, 2025).

Group Support: American Bankers Association (ABA), America's Credit Unions (ACU), Consumer Federation of America (CFA), Defense Credit Union Council (DCUC), National Bankers Association (NBA), and National Community Reinvestment Coalition (NCRC).

Section-by-Section for H.R. 4544, the “American Access to Banking Act” (Waters)

Section 1. Short Title

- American Access to Banking Act

Sec. 2. Streamlining Application Process and Review of Capital Raising by *de novo* regulated institutions

- Requires federal banking and credit union regulators to review and streamline application procedures for new depository institutions.
- Directs agencies to collect applicant information from existing government sources where practicable to reduce duplicative requests.
- In coordination with the SEC, agencies must examine how *de novo* institutions raise capital, including the impact of restrictions on non-accredited investors.
- Agencies must report annually to Congress for five years on implementation progress and recommend administrative or legislative improvements as needed.

Sec. 3. Improving communication with *de novo* regulated institutions

- Requires agencies to designate a caseworker to serve as the applicant’s point of contact throughout the application process to provide tutorials and maintain continuity throughout the agency review.

Sec. 4. *De novo* mentor-protégé partnerships

- Directs agencies to facilitate peer mentorship by providing applicants with a list of recently approved institutions willing to serve as mentors.
- Agencies must publish public guidance within one year outlining how institutions can volunteer to serve as mentors or request a mentor.

Sec. 5. State and stakeholder engagement plan

- Requires agencies to consult regularly with state banking regulators to improve coordination on *de novo* formations, including providing guidance on obtaining federal insurance.
- Agencies must also engage with stakeholders such as CDFIs, MDIs, rural institutions, and recent applicants to inform potential reforms.
- Requires the development and dissemination of training materials and public workshops to support prospective applicants.
- Each agency must submit its engagement plan to Congress within two years of enactment and update it every five years thereafter. Public comment must be solicited and considered.

Sec. 6 Definitions

- Defines key terms including “Federal financial institutions regulatory agencies,” “regulated institution,” “state regulator,” and others.
- Clarifies that applying to become a *de novo* institution includes seeking federal deposit insurance, share insurance, or membership in the Federal Reserve System.