

We are ready for a challenging legislative year in 2026. 2025 proved to be a year of fast-paced change, especially on the federal front.

Federally here is what we are working on.

The **Genius Act/Stablecoin** was signed into law on July 18. We continue to be concerned about the potential for funds to leave the banking system and be deposited in stablecoins. If that were to happen, the impact on access to credit would be damaging to the economy. Permitted issuers must maintain reserves backing the stablecoin on a one-to-one basis using U.S. currency or other similarly liquid assets. Bank deposits are not insured one to one. This may increase the desirability of stablecoins.

The bill states stablecoin issuers are explicitly prohibited from paying interest or yield to holders of their stablecoins. This prohibition does not apply to affiliates. We are working to close this loophole through a market structure bill.

The crypto industry is aggressively opposing closing the loophole. We continue to inform legislators that if significant funds leave the banking system it will result in less ability to lend. Closing the affiliates interest loophole is one way to limit the attraction of individuals depositing funds with stablecoin issuers and protect the ability to lend. The stablecoin market structure bill mark-up hearing was scheduled for January 15 but was postponed.

By now you have seen the President's messages regarding a **credit card interest rate cap**. The President publicly stated he supports a one year 10% interest rate cap on credit cards and that there will be ramifications if banks do not drop their credit card interest rate to 10% by January 20. You may remember he also voiced support for this during his campaign. Politics truly does make for odd bedfellows, both Senator Sanders and Senator Warren are very supportive of a credit card interest rate cap. A Senate bill and a House bill have been introduced to accomplish this. There are hints that the President may attempt to accomplish this by an executive order. We believe legally this would take an act of Congress. We have been educating public officials about the loss of credit availability under such a proposal.

The President posted on social media that he supports the **Credit Card Competition Act**. This is the action that would impose interchange limitations that currently apply to debit cards to credit cards. We have been successful at blocking this for several years. The CCA has been reintroduced in both the House and Senate.

The Trump administration formally determined the **Consumer Financial Protection Bureau's** (CFPB) current funding mechanism is unlawful, a move that puts the agency on track to close in the coming months when its existing cash runs out. On November 11, the DOJ notified federal courts that the CFPB anticipates exhausting available funds in early 2026. The Court ruled that the Trump administration must continue to seek funding for CFPB. In January CFPB requested \$145 million from the Fed.

Senator Hagerty's **Deposit Insurance Reform** bill had a House hearing. The proposal would increase coverage on non-interest-bearing business accounts to \$10 million. The GSIBs are exempt, and smaller banks would not pay for the increase. Banks over \$10 billion pay. Many

have stated that there is not any immediate cost expected. FDIC has given a response to several questions asked by members of Congress, but the FDIC response is confidential.

After the House hearing it is clear the bill will not pass in its current form. CBA has joined several other states in lobbying for changes to the Transaction Account Guarantee (TAG) program, making TAG ability permanently in place and not requiring Congressional action to activate TAG.

While we continue to push for broad DIF reform, the window of time is very narrow to get anything. To date no one is opposed to the TAG proposal.

Bills have been introduced to increase **regulatory asset thresholds** and index them for inflationary growth. There is a proposal that increases the current Dodd Frank Act (DFA) \$10B threshold to \$50B. The concern is that the Senate doesn't have the appetite to take the threshold that high. Congress is trying to find what increase would pass.

The Supervisory Modifications for Appropriate Risk-Based Testing Act of 2025 would increase the threshold under for a limited-scope examination after an on-site, full-scope exam from \$3 billion to \$6 billion.

The Tailored Regulatory Updates for Supervisory Testing Act of 2025 would increase the total asset threshold under which institutions qualify for an 18-month exam cycle from \$3 billion to \$6 billion.

We will continue to seek opportunities to increase and index all regulatory thresholds

CFPB has proposed new rules regarding **1071 and 1033**. We are also lobbying Congress to make permanent changes to prevent the yo-yo effect with the next administration.

The compliance dates have also been changed.

Compliance tier	Original compliance date in the 2023 final rule	Revised compliance date in the 2024 interim final rule	New compliance date	First filing deadline
Tier 1 institutions (highest volume lenders)	October 1, 2024	July 18, 2025	July 1, 2026	June 1, 2027
Tier 2 institutions (moderate volume lenders)	April 1, 2025	January 16, 2026	January 1, 2027	June 1, 2028
Tier 3 institutions (smallest volume lenders)	January 1, 2026	October 18, 2026	October 1, 2027	June 1, 2028

The state legislature will provide plenty of sleepless nights too when the session begins January 14, 2026.

Artificial Intelligence continues to be a concern for banking and the broader business community. At this point, we don't anticipate one bill from the Governor's taskforce. But CBA worked collaboratively with consumer groups ahead of the special session and agreed to language. Moving forward with AI, we anticipate the compromise language would still be honored. Sen Rodriguez has made a commitment to CBA to honor the language.

- CBA's language clarifies that bill applies to consumers only;
- Limits Consequential Decisions to opening and closing of accounts/loans, setting of payment schedules and interest rates, denial of credit.
- Exempts AI used for fraud prevention;
- Exempts many daily transactions; and
- Permits notification on a monthly statement.

Interchange- there is so much uncertainty as we are working diligently to thwart a bill to be re-introduced in Colorado. On January 2, the Colorado Restaurant Association announced in a Denver Business Journal article that they will introduce a pared down version of the legislation, exempting sales tax. They fail to realize that it would still take a complete overhaul of the system for one state. No interchange legislation passed in the US in any state in 2025. The IL litigation is not resolved and any legislation in Colorado is 100% likely for litigation and high litigation cost to the state.

Credit Unions continue to want to be a bank without paying their fair share of taxes or regulatory compliance. We are expecting a bill that would permit credit unions to accept public deposits in 2026 or 2027. We face that legislative fight every few years. We are not expecting a bill to permit credit unions to buy a bank in 2026 or 2027 as well— we have defeated that bill the previous two years.

We are working with AARP on an **Elder Abuse bill**. This would be an expansion of the bill that passed several years ago. AARP has provided CBA draft language and is working collaboratively with us. The bill aims to give financial institutions greater legal flexibility to hold funds when they suspect fraud. We are working on language that protects banks for failing to stop a transaction and for holding funds whether a transaction is proved to be fraudulent or not. We also want to ensure any information banks are required to give under the state law does not violate any federal privacy regulations.

Estate Non-Profit bill will be sponsored by Senator Coleman, Senate President. This bill is brought by the Nonprofit Association to address a gap in probate proceedings. An individual may bequeath their fiduciary account, bank account, investment account, IRA, for example, to a non-profit group. Some financial organizations have taken an extended period of time once the estate is settled to transfer the funds to said non-profit. The proposed bill will place guidelines on the disbursement of funds once the estate is settled to the non-profit. CBA is working closely with the Non-profit Association to ensure FDIC-insured institutions are protected and reasonable guidelines are placed in the bill.

We know there will be a few surprises during the session, but we stand ready to defend the industry.

Don't hesitate to reach out to either of us.

Jenifer and Alison.