



March 13, 2025

The Honorable Tim Scott
Chairman
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Scott and Ranking Member Warren:

The U.S. Chamber of Commerce (“Chamber”) writes to express our support for S. 875, the *Financial Integrity and Regulation Management Act* (“FIRM Act”), ahead of the Senate Banking Committee markup on March 13, 2025¹. The use of reputational risk as a component of financial supervision injects subjectivity into that supervision and serves as a distraction in a process that should be structured around identifying and managing tangible threats to the financial system. By eliminating reputational risk as a component of supervision, this legislation will prevent banking regulators from using reputational risk to target industries, businesses, and individuals based on political motivations or illusory reputational risk.

The FIRM Act will help guarantee that all American consumers can obtain and maintain financial services products regardless of their political, religious, or ideological identity. To continue growing our economy, law-abiding companies and individuals must have reliable and predictable access to the services that financial institutions provide. Unfortunately, as those institutions seek to comply with laws and regulations to engage with their regulators in oversight activity, concern about supervisory actions related to reputational risk has caused financial institutions to end their relationship with certain politically-active or targeted companies and individuals. Federal and state banking laws are designed to help financial institutions manage market-based risks, and those institutions should have discretion over which customers suit their risk profiles. If financial institutions make decisions about which customers receive services out of concern related to arbitrary reputational risk criteria

¹ <https://www.banking.senate.gov/hearings/03/10/2025/executive-session>

in supervision, the health of our economy and our country's founding principles are put at risk.

The Chamber supports a regulatory environment that promotes safety and soundness without superfluous and improper use of supervisory authority. We are encouraged that this legislation echoes the Trump Administration's stated goal to right-size our nation's regulatory regime.² The FIRM Act aligns with the Administration's principles by removing reputational risk from any guidance, rule, examination manual, or similar document established by federal banking agencies.

The Chamber applauds Chairman Scott's work on this issue. We urge members of the Senate to support the FIRM Act and hope that this commonsense legislation, which aims to solve an issue that impacts all Americans, will garner bipartisan support. The Chamber stands ready to assist members of Congress with increasing access to the U.S. Banking system.

Sincerely,

A handwritten signature in black ink, appearing to read 'TK' followed by a long, sweeping horizontal stroke.

Tom Quaadman
Senior Vice President
Economic Policy
U.S. Chamber of Commerce

² <https://www.federalregister.gov/documents/2025/02/06/2025-02345/unleashing-prosperity-through-deregulation>