September 2, 2026

The Honorable French Hill
Chairman
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Re: Letter in Support of American Lending Fairness Act of 2026

Dear Chairman Hill and Ranking Member Waters:

On behalf of the American Fintech Council (AFC) and its members,[1] I write to express our strong support for the American Lending Fairness Act of 2026. AFC applauds Representative Davidson for his continued championing of this critical, bipartisan legislation aimed at preserving parity between state-chartered community banks and their nationally-chartered counterparts. We also applaud this Committee for spotlighting this legislation and its impact on strengthening the American economy for consumers and innovative financial participants.

A standards-based organization, AFC is the largest and most diverse trade association representing financial technology companies and innovative banks. On behalf of more than 150 member companies and partners, AFC promotes a transparent, inclusive, and customer-centric financial system by supporting responsible innovation in financial services and encouraging sound public policy. AFC members foster competition in consumer finance and pioneer products that better serve underserved consumer segments and geographies.

Congress enacted the Depository Institutions and Deregulation and Monetary Control Act of 1980 (DIDMCA) to level the playing field between state-chartered and national banks which has served as the legal foundation for interstate lending by state-chartered institutions – allowing those banks and credit unions to maintain parity with national banks and serve customers across state lines under a single, uniform federal framework. It is the legal infrastructure that makes a

[1] AFC's membership spans technology platforms, non-bank lenders, banks, payments providers, loan servicers, credit bureaus, and personal financial management companies.

national credit market possible. Recently, select states have attempted to opt out of Section 521 of DIDMCA, ending parity for state-chartered banks with their nationally-chartered counterparts.[2]

Critically, these opt-outs undercut the fundamental principles of the U.S. banking system and upset the competitive balance in the financial services industry by putting state-chartered banks at a significant disadvantage as compared with their nationally-chartered counterparts. As AFC has raised numerous times, opting out of DIDMCA harms American consumers and families facing an affordability crisis by eliminating the availability of responsible credit options offered by state-chartered banks.[3] These opt-out laws will lead to shrinking credit availability and rising rates due to a lack of competition in the market.

Federal banking regulators have similarly warned that opting out of DIDMCA threatens the integrity of the dual banking system and reduces access to credit. After the State of Colorado enacted its opt-out (H.B. 23-1229)[4] and the law was challenged in federal court, the case proceeded through a preliminary injunction in district court and then reversal by a divided panel on appeal. On April 2, 2026, the full U.S. Court of Appeals for the Tenth Circuit granted rehearing *en banc*, vacating the panel's decision and reinstating the district court's injunction against the opt-out law. In an *amicus brief* before the *en banc* panel, the Office of the Comptroller of the Currency sought to preserve the dual banking system by emphasizing that the panel's now-vacated interpretation would fundamentally alter DIDMCA's federal interest-rate parity framework for state-chartered banks, create significant operational challenges for interstate lending, and advantage national banks over state banks in a manner inconsistent with Congress's competitive-equity goals.[5] Additionally, the Federal Deposit Insurance Corporation likewise urged rehearing *en banc*, arguing that the panel decision disrupts the interest rate parity approach established by Congress and may encourage additional state opt-outs that could swallow the general rule of parity, burdening state-chartered institutions and reducing nationwide credit availability.[6] These arguments align completely with the provisions of the American Lending Fairness Act of 2026 and illustrate the importance of its passage.

The American Lending Fairness Act of 2026 is bipartisan legislation that reaffirms Congress's original intent and protects the dual banking system by clarifying the proper scope of DIDMCA's opt-out provision and ensuring that state-chartered and nationally-chartered banks are treated equally. This targeted clarification will restore the intended balance between federal and state authority, preserve competitive equity within the dual banking system, and support responsible interstate lending that expands access to transparent, affordable credit.

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[2] Colorado General Assembly. (2023). HB23-1229: Amending terms consumer lending laws. Available at https://leg.colorado.gov/bills/hb23-1229 and Oregon Legislative Assembly. (2026). HB 4116: Relating to consumer finance loans. Available at https://olis.oregonlegislature.gov/liz/2026R1/Downloads/MeasureDocument/HB4116/Enrolled

[3] American Fintech Council. (April 10, 2023). CO: Advocacy letter to Colorado Legislature in opposition to Colorado House Bill 1229. Available at https://fintechcouncil.org/advocacy/afc-letter-opposing-colorado-house-bill-1229-which-will-severely-limit-access-to-safe-transparent-and-reliable-credit-for-co-consumers and American Fintech Council. (May 20, 2025). RI: Testimony in opposition of Senate Bill 386. Available at https://fintechcouncil.org/advocacy/ri-testimony-in-oppostion-of-senate-bill-386

[4] Ibid., Colorado Law.

[5] Office of the Comptroller of the Currency. (Dec. 16, 2025). "Brief of amicus curiae Office of the Comptroller of the Currency in support of plaintiffs-appellees' petition for rehearing en banc" (National Association of Industrial Bankers v. Weiser, No. 24-1293).

[6] Federal Deposit Insurance Corporation. (Dec. 16, 2025). "Brief of Federal Deposit Insurance Corporation as amicus curiae in support of the petition for rehearing en banc" (National Association of Industrial Bankers v. Weiser, No. 24-1293) (10th Cir.).

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AFC applauds the bipartisan engagement on this issue led by Representative Davidson. We stand ready to serve as a resource to the Committees as they advance policies that preserve DIDMCA's intended parity framework, strengthen the dual banking system, and ensure that consumers and small businesses, including in underserved communities, continue to have access to safe, transparent, and affordable options.

Sincerely,

Ian P. Moloney
Chief Policy Officer
American Fintech Council

Cc:

The Honorable Warren Davidson, United States House of Representatives

The Honorable Andy Barr, United States House of Representatives

The Honorable Steven Horsford, United States House of Representatives

The Honorable Sarah McBride, United States House of Representatives

The Honorable Vicente Gonzalez, United States House of Representatives

The Honorable Young Kim, United States House of Representatives