August 12, 2026

To: Senate Majority Leader John Thune

Re: Support the FIRM Act

We, the undersigned organizations, write in support of Senator Tim Scott's Financial Integrity and Regulation Management (FIRM) Act. We urge the Senate to pass the FIRM Act to end politically motivated debanking.

When law-abiding customers are abruptly cut off from their bank's financial services, they are said to be debanked. This phenomenon is driven by excessive and arbitrary regulatory pressure from federal bank regulators.

The FIRM Act targets the cause of debanking: reputational risk in bank supervision. Reputational risk allows federal agencies to judge, threaten, and punish banks for doing business with certain industries.

Reports show that debanking began under the Obama administration and ramped up during the Biden administration. A House Oversight Committee report from 2014 found the Obama DOJ's intent was "to deny these merchants access to the banking and payments networks" that lawful businesses need to operate. The report clearly shows the program, nicknamed Operation Choke Point, aimed to marginalize politically disfavored industries by labeling these businesses as "high-risk".

Bank supervisors at the FDIC and other agencies pressured banks to cut off business with individuals and organizations affiliated with industries such as firearms, oil and gas, and crypto. Failure to comply with agency threats meant downgraded examination ratings for safety and soundness, higher capital costs, and diminished prospects for mergers and expansion.

Many debanked customers were left clueless about why they were debanked and without recourse to restore access to their finances due to regulations under the Bank Secrecy Act that impede banks from communicating with their customers.

Nowhere in federal law are banks required to account for the reputational risks posed by their customers. Because reputational risk lacks statutory definition, it relies purely on examiner discretion — a standard that invites political bias and harmful real-world consequences.

Debanking was caused by an excessive amount of power deferred to federal agencies. The FIRM Act restores accountability to federal bank regulators. It compels agencies to limit bank supervision criteria to objective metrics. It limits excessive and arbitrary government intrusion into the banking industry, and by extension, the ordinary finances of millions of everyday Americans.

On July 21st, 2026, the House passed its version of the FIRM Act. It is imperative that the Senate now builds upon the House's efforts and sends the FIRM Act to President Trump's desk. **We urge the Senate to support and vote for passage of the FIRM Act.**

Sincerely,

Grover Norquist
President
Americans for Tax Reform

Ryan Ellis
President
Center for a Free Economy

Phil Kerpen
President
American Commitment

Lisa B. Nelson
Chief Executive Officer
ALEC Action

Brandon Arnold
Executive Vice President
National Taxpayers Union

Iain Murray
Senior Fellow
Competitive Enterprise Institute

Brent Gardner
Chief Government Affairs Officer
Americans for Prosperity

Caroline Melear
Resident Fellow, Finance, Insurance, and Trade
R Street Institute

Eric Ventimiglia
Executive Director
Pinpoint Policy Institute

David Williams
President
Taxpayers Protection Alliance

Doug Wheeler
Director
Gibbs Center for Economic Prosperity, James Madison Institute

Patrice Onwuka
Vice President for Economic Policy
Independent Women's Forum

Mario Lopez
President
Hispanic Leadership Fund

Lorenzo Montanari
Director
Property Rights Alliance

Karen Kerrigan
President
Small Business & Entrepreneurship Council

Chris Cargill
President
Mountain States Policy Center

Jonathan Small
President
Oklahoma Council of Public Affairs

Paul Gessing
President
Rio Grande Foundation

The Goldwater Institute

Dave Trabert
President
Kansas Policy Institute

Dave Erspamer
Chief Executive Officer
Pelican Institute for Public Policy

Seton Motley
President
Less Government

Chuck Muth
President
Citizen Outreach

Wendy Damron
President and Chief Executive Officer
Palmetto Promise Institute

Kendall Cotton
President
Frontier Institute