

VIRGINIA BANKERS ASSOCIATION

VBA COMMITTEES

Agenda

VBA Government Relations Committee
Thursday September 18, 2025 10:30am
VBA Office

Mission Statement:

To protect and defend the interests of Virginia's banking industry through active support of the VBA's political and legislative efforts.

- I. Welcome & May Minutes
- II. State Legislative & Advocacy Update
 - Fall State Legislative Meetings
 - Sept 19 Breakfast – [Richmond](#)
 - Sept 25 Breakfast – [NOVA](#)
 - Oct 1 Lunch – [Harrisonburg](#)
 - Oct 2 Lunch – [Lynchburg](#)
 - Oct 14 Lunch – [Abingdon](#)
 - Potential 2026 Legislation
 - 2025 Election Preview
 - [Meet the Candidate Forums](#)
 - [VBA Get Out the Vote Center](#)
 - 2026 Banker Day – January 15, 2026
- III. Federal Legislative & Regulatory Update
 - Key Federal Banking Policy Progress Report
- IV. BankPAC
 - Current Financials
 - 2025 BankPAC Campaign Feedback
- V. Open Forum
- VI. Adjourn

**Minutes of the
Virginia Bankers Association
Government Relations Committee
Wednesday May 21, 2025 | 10:30 a.m. Zoom**

Committee Participants:

Brandon Lorey, Will Clements, Steve DeLuca, Trent Dudley, Dennis Dysart, Karen Frye, Leton Harding, Laurie Hart, Goley Hervey, Adam Hill, Todd Rowley, Robert Shuford, Melvin Watkins, and Robert Wood

VBA Staff & Guests:

Matt Bruning, DeMarion Johnston, Tristan Macdonald and Bruce Whitehurst

Welcome & Minutes

Chairman Lorey called the meeting to order and welcomed Tristan Macdonald to the VBA as VP, Government & Member Relations. Mr. Macdonald introduced himself to the Committee. The minutes from the March meeting were approved as presented on a motion from Mr. Hill, seconded by Mr. Harding.

BankPAC

The financials as of March 31, 2025 were presented. On the motion of Mr. Dysart, seconded by Ms. Frye, the financials were accepted as presented.

Mr. Bruning briefed the Committee on recent political contributions from other financial services groups. Chairman Lorey noted how that development could impact efforts on the BankPAC campaign and the Committee discussed potential impact on policy alignment during the legislative session. Mr. Bruning updated the Committee on the current status of the campaign, pointing out receipts are lagging behind pledge amounts so difficult for an accurate count.

Chairman Lorey brought up the annual contributions made from VBA BankPAC to ABA BankPAC and their Voter Education initiative. The Committee discussed the appropriate amount in light of recent state developments. On the motion of Mr. Wood, seconded by Mr. Harding, the Committee authorized a contribution of up to \$110,000 to ABA BankPAC subject to contribution levels attaining goal prior to payment. On the motion of Ms. Hart, seconded by Mr. Watkins, the Committee authorized a contribution of \$10,000 to the Voter Education initiative.

Federal Update

Chairman Lorey thanked those who attended the Washington Summit in April, noting strong banker attendance and productive legislative meetings. The Committee discussed feedback on the Summit, including the recommendation of a pre-Summit briefing call with registrants. Chairman Lorey reminded the Committee the 2026 Summit is scheduled for March 9-11.

Chairman Lorey noted the federal policy update document in the Committee material. Mr. Bruning covered recent action on rescission of the merger policy, stablecoin legislation, ongoing grassroots alerts on interchange. He also noted the recent passing of Congressman Gerry Connolly.

State Legislative & Advocacy Update

Chairman Lorey noted the General Assembly session is finished and Mr. Bruning gave an overview of the final outcomes, reminding the Committee the VBA General Counsel Report highlighting all the newly enacted laws will come out prior to July 1. He also discussed the potential for a special session due to

the impact of federal spending and job reductions and the policy development process underway for the 2026 session. He also updated the Committee on the recent announcement of a “Debanking” Task Force from the Attorney General and US Attorney’s offices.

Chairman Lorey noted that the fall regional state legislative meetings tentative schedule is on the agenda. He encouraged the Committee to participate and identify others to register.

Other Business

Chairman Lorey reminded the Committee to coordinate on any outreach on BankPAC. The next meeting will take on September 18th at the VBA office. There being no further business, the Committee adjourned.

Minutes prepared by:
Matt Bruning

2026 Virginia General Assembly: Top Potential Policy Items

Government Relations Committee September 18, 2025

1. **Credit Union Expansion.** Under their new multi-state organization, credit unions have added more lobbying resources and injected \$500,000 to their PAC, signaling an aggressive posture for the 2026 Session. VBA is preparing for credit unions to potentially pursue:
 - Reviving their failed proposal over the last two sessions to authorize credit unions to become qualified public depositories;
 - Expanding the current 3,000 field of membership threshold;
 - Creating a process for credit unions to acquire banks or bank assets under state law; and
 - Broadening their ability to expand in “underserved” areas.

Position: VBA *opposes* any effort to expand credit union authority.

2. **Cryptocurrency/Stablecoin.** Emboldened by federal action, VBA anticipates several proposals related to cryptocurrency, digital assets and blockchain technology in financial services including:
 - Establishing a state crypto reserve, undercutting Virginia’s public deposit laws;
 - Authorizing state-level regulatory approval and oversight of stablecoin issuers; and
 - Creating legal structures for decentralized autonomous organizations (DAOs) and establishing a fintech regulatory sandbox.

Position: VBA *continues to advocate for a level playing field* for non-banks offering financial services, access for banks to best deploy technological advances, and *objects to proposals* that create unfair competition or disintermediate banking services.

3. **Elder Financial Abuse.** Legislators remain interested in pursuing state laws to prevent elder financial exploitation. VBA has engaged with AARP about partnering on their [national model legislation](#), targeting virtual currency kiosk fraud which disproportionately impacts seniors.

Position: VBA *opposes* blanket mandatory reporting, training, and other requirements on banks and *supports* commonsense proposals to prevent financial abuse, without burdening banks.

4. **Health Savings Accounts (HSA).** The General Assembly has passed legislation mandating certain benefits for insurance coverage without patient co-pay, sometimes creating conflict or ambiguity with IRS requirements on high-deductible plans and HSA covered services.

Position: VBA is *crafting language* with the ABA HSA Council and health plan stakeholders to provide a carve-out to those mandates for high-deductible plans and HSAs offered in Virginia.

5. **Interchange.** Frustrated by their efforts being thwarted in Congress, big box retailers are attacking credit card interchange fees at the state level – leading to a law exempting interchange from taxes and tips in [Illinois](#). These payment systems are not structured to break out that information and implementation would be costly to banks and networks, making these requirements unworkable and only benefiting the largest merchants.
 - Dozens of other states considered similar legislation over the past year without success, but Walmart and retail organizations are continuing to press for state legislation.

Position: VBA *opposes* state level interchange restrictions or changes.

2026 Virginia General Assembly: Top 10 Policy Items to Watch

Government Relations Committee September 18, 2025

6. **Artificial Intelligence (AI).** The General Assembly [passed legislation](#) to create standards for the development and deployment of AI to protect against discrimination and require disclosures and assessments. However, Governor Youngkin vetoed it – and VBA anticipates it will be reintroduced next year.

Position: VBA will continue **to monitor and work** with the patron to avoid duplicative, conflicting and burdensome regulations to what are already incorporated at the federal level.

7. **Debanking/Environmental, Social, and Governance (ESG).** There have been attempts to prohibit banks from discriminating against customers based on political hot button social issues – from both Republicans and Democrats.
- Red States have adopted legislation that seeks to penalize banks that “discriminate” against certain conservative-favored industries – i.e., fossil fuels, firearms.
 - Progressive groups have pushed for divestment of public funds, including state retirement plans, from banks that serve those same industries.

Position: VBA **opposes** government interjection of social issues into a bank’s customer decisions.

8. **Housing.** Legislation was introduced, but not successful, last session that would have allowed a home buyer to assume the sellers’ mortgage – similar to what is allowed under certain FHA and VA mortgages. Affordable and workforce housing measures, especially those focused on created additional inventory, are likely to be a major focus in the coming session

Position: VBA **opposes** blanket assumable mortgages due to concerns about its retrospective application and qualified borrower implications. The VBA **supports** reasonable incentives to reduce the cost of homeownership and add to housing inventory.

9. **Garnishment.** During the 2025 Session, VBA worked with stakeholders to reach a compromise solution on a proposal to create an automatic protection of \$500 in bank accounts from garnishments.
- VBA was able to address our concerns with the patron, however, late objections from bankruptcy attorneys created an impasse and it did not pass.

Position: Will be reintroduced in 2026 and VBA has **reiterated our position** with the patron.

10. **Non-Compete Agreements.** With national efforts stalled to ban non-compete agreements and provisions of Virginia’s law on the limited allowable usage of those agreements identified for clarification, several pieces of legislation may be introduced in 2026, including:

- Completely banning the use of noncompete clauses in employment agreements;
- Expanding Virginia’s existing prohibition for certain classes of workers; and
- Clarifying current language, including ambiguous definitions.

Position: VBA **opposes** elimination or further restrictions on the usage of noncompete clauses in employment agreements, as banks judiciously utilize them for legitimate business purposes. As for technical amendments, VBA **will monitor** and determine next steps after November.

Not an exhaustive and complete policy and budget item list for the 2026 General Assembly Session.

Please contact Matt Bruning (MBruning@vabankers.org) and Tristan Macdonald

(TMacdonald@vabankers.org) with any questions.

2025 Federal Banking Policy Update

Through September 8, 2025



Accomplished

Overdraft: President Trump [signed](#) legislation overturning the Consumer Financial Protection Bureau (CFPB) Overdraft Rule.

Credit Card Late Fees: Pressured by litigation from the banking-industry, the U.S. District Court [vacated CFPB's rule](#) on credit card late fees.

Taxes: [HR1 One Big Beautiful Bill Act](#) was signed into law by President Trump. It includes several positive [tax provisions](#) - relief on interest income related to agriculture and rural loans (ACRE); makes permanent the Section 199A passthrough business deduction; increases the Low-Income Housing Tax Credit; and permanently extends the New Markets Tax Credit.

Stablecoin: President Trump signed [S1582 GENIUS Act](#) into law, creating a regulatory framework for stablecoin, and defining the process for becoming a "permitted payment stablecoin issuer."

- The banking industry made progress related to the prohibition on mixing commerce and financial services and applying BSA/AML. However, additional concerns remain, which may be addressed in future legislative vehicles such as the CLARITY Act.

Homebuyer Privacy: President Trump signed [HR2808 Homebuyers Privacy Protection Act](#) to curb the abusive use of mortgage credit "triggers leads."

In Progress

Section 1033: Litigation has slowed implementation of [CFPB's "open banking" rule](#) on data sharing and access. The CFPB is reconsidering the rule and issued an advance notice of rulemaking for comment at the end of August.

Section 1071: [CFPB announced](#) it will not be prioritizing enforcement, and plans to initiate new rulemaking on the over-reaching small business lending data collection and reporting rule.

- [S557](#) | [HR976](#) (1071 Repeal to Protect Small Business Lending Act) would permanently repeal that component of the Dodd-Frank Act.

Community Reinvestment Act (CRA): Federal Regulatory Agencies have pulled back the previous Administration's proposed [CRA modernization rule](#).

Reputational Risk: Federal Regulatory Agencies have [removed](#) its existing guidance and President Trump has issued an [Executive Order](#) directing agencies to rescind rules related to reputational risk.

Credit Card Rate Cap: VBA [opposes](#) the 10 Percent Credit Card Interest Rate Cap Act ([HR1944](#) | [S381](#)), which would impose government price controls and severely restrict credit for Virginians.

Deposit Insurance: Congress has begun re-engaging with hearings on potential avenues for deposit insurance modernization.

Pending

SAFER Banking Act: Congress will reintroduce legislation that would provide clarity to banks on serving cannabis-related customers.

Interchange: The banking industry continues to oppose any [legislative and regulatory effort](#) to institute price control or place restrictions on interchange fees.

ABA Deposit Insurance Recommendations: Summary

August 12, 2025

- Deposit insurance is a cornerstone of the U.S. banking system. Today's banks are well capitalized and highly liquid and positioned to meet the needs of consumers. Yet, as banking and the market for financial services continue to evolve, policy makers must ensure that related laws and regulations keep pace. The deposit insurance and resolutions framework is no exception.
- The 2023 failures of Silicon Valley Bank (SVB) and Signature underscored questions about the transparency and fairness of the current deposit insurance and resolutions framework, and if the FDIC has the tools it needs to mitigate and manage modern stresses. These are complex policy questions with no easy answers.
- Over the past 18 months ABA has gathered and synthesized the thoughts of our members to provide the industry's perspective on modernization. What follows are 10 recommendations a banker-led ABA Task Force that are intended to help inform and drive the policy debate surrounding the FDIC's authority during a crisis, possible changes to deposit insurance and the bank resolutions framework.

Emergency Actions and Authority

1. **Congressional pre-approval for enhanced FDIC coverage to mitigate severe stress events.** Congress should pre-approve authority for the FDIC to create a program similar to the transaction account guarantee program that would guarantee bank and holding company liabilities during times of severe stress. This action could reduce the risk of contagion.
2. **Improve transparency of systemic risk determinations and special assessments.** Congress should require the FDIC to develop guidelines on specific considerations that warrant a systemic risk determination and the methodology it will use to identify beneficiaries for purposes of a special assessment.

Deposit Insurance Coverage, the Deposit Insurance Fund and Assessments

3. **Ensure the coverage limit and any modifications to it are empirically based and indexed to inflation.** Any change in coverage should be data driven, with significant input from the banking industry and other stakeholders. The FDIC should expand its efforts to collect relevant data and info that can help the nation's banks and policymakers analyze the tradeoffs between specific coverage limit options. Once a limit is established, it should be indexed to inflation.
4. **Maintain a Deposit Insurance Fund that is stable and properly calibrated to risk.** The FDIC should continue to use a risk-based approach when setting assessments and ensure its methodology is based on modern risk principles.
5. **Make deposit insurance assessments tax deductible.** Congress should reverse the Tax Cuts and Jobs Act of 2017 sliding-scale method for determining the deductibility of FDIC assessments.

Bank Resolutions

6. **Evaluate the potential costs and benefits of offering additional insurance for purchase by individual banks.** Allowing banks to purchase excess deposit insurance would likely result in lower costs for banks relative to excess deposit insurance products provided by the private sector. The FDIC should evaluate the potential costs and benefits of such an approach.
7. **Broaden the scope of considerations applied in determination of “least cost” to include potential contagion or other unwanted impacts.** Congress should allow the FDIC to consider the cost of resolutions strategy on a wider range of banks or the industry not just the deposit insurance fund.
8. **Enhance community bank participation in resolutions to preserve essential banking services.** Congress should allow the FDIC to consider the cost of resolutions strategy on communities and provide the FDIC with the power to balance the least cost test for community bank failures with options to mitigate negative impacts, such as loss of essential banking services, on the relevant communities.
9. **Open resolution-associated asset auctions to a greater diversity of investors.** An FDIC change that would enhance fairness to the failed bank bidder qualification process, increasing the spectrum of institutions permitted to bid on failed institution franchises and assets.
10. **Publicly release resolution approaches considered in a given case and their respective estimated costs.** FDIC should release the resolution approaches considered and the estimated costs of each failure to improve the transparency and accountability associated with failed institution resolutions.

Virginia BankPAC
For the Period Ending July 31, 2025

	Federal Election Fund	7/31/2025 State Election Fund	Total	Federal Election Fund	12/31/2024 State Election Fund	Total
Receipts						
Contributions from participants	\$ 135,265	\$ 244,728	\$ 379,993	\$ 183,111	\$ 253,999	\$ 437,110
Interest income	5,328	-	5,328	9,927	-	9,927
Total Receipts	140,593	244,728	385,321	193,038	253,999	447,037
Disbursements						
Contributions to Candidates	-	160,500	160,500	1,500	274,500	276,000
Contributions to PACs	110,000	-	110,000	110,000	-	110,000
Contributions - Other	10,000	-	10,000	10,000	-	10,000
Compliance and Software		14,436	14,436		27,597	27,597
Promotional items/in-kind contributions	-	-	-	437	3,600	4,037
Travel, entertainment & meeting expenses	-	3,136	3,136	55	6,917	6,972
Industry Sponsorships	-	-	-	-	2,500	2,500
Office supplies & printing	-	32	32	-	132	132
Audit & tax fees	-	6,700	6,700	-	7,500	7,500
Miscellaneous expenses	1,618	610	2,228	2,037	702	2,739
Tax Expense	-	2,623	2,623	-	663	663
Total Disbursements	121,618	188,037	309,655	124,029	324,111	448,140
Excess (deficiency) of receipts over disbursements	18,975	56,691	75,666	69,009	(70,112)	(1,103)
Transfers between State and Federal	(50,000)	50,000	-	(55,000)	55,000	-
Cash and cash equivalents Beginning of year	409,275	11,573	420,848	395,266	26,685	421,951
Cash and cash equivalents-end of period	\$ 378,250	\$ 118,264	\$ 496,514	\$ 409,275	\$ 11,573	\$ 420,848

Virginia Bankers Association (VBA) BankPAC Contribution Overview

First, thank you to everyone that contributed to make the VBA BankPAC a success – ***we are happy to report we exceeded our goal of \$430,000.*** As we do every year, the VBA Government Relations Team evaluates areas to improve our fundraising efforts and become more efficient, including making sure your donations are run efficiently and in a timely manner.

VBA BankPAC Contribution Type (Receipts Only)*		
	# of Contributions	% of Contributors
Paper Check	205	26.94%
Credit Card	424	55.72%
Payroll Deduction	132	17.35%
Total Individuals	761	100.00%

With the risk and downside in efficiency of payments through postal delivery, the VBA encourages banks to ***adopt bank employee and director online contributions and payroll deduction programs.***

What Is the Benefit to You?

While this may require some initial education (VBA has created how-to guides for both), it will assist with:

- Timely processing at point of contribution, eliminating delays and expired card issues.
- More secure data protection – limiting access to contributors' personal financial information.
- Accurate campaign information – eliminating lag from mail provides more accurate and fulsome reporting for grassroots coordinators.
- Maximizing VBA resources on growing VBA BankPAC.

Prioritizing Security & Control

While VBA processes all mailed payments (checks and written credit card forms), it can take time to enter and deposit contribution, in addition to the time it takes to arrive in the mail.

During the 2025 BankPAC campaign, we heard from banks wanting updates on processing and receipts, including confirming delivery or status reports on total contributions received from the bank.

Both are reasonable and encouraged requests as we want to be responsive in addressing your feedback. We believe wider adoption of these online payment options will benefit all involved.

Please commit to exploring and fully utilizing online payment or payroll deduction methods for the 2026 VBA BankPAC campaign.

VABankers.org/Government-Relations

*VBA BankPAC Data as of August 1, 2025