

September 25, 2019

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

The American Financial Services Association (AFSA)<sup>1</sup> writes to express its strong support for H.R. 1595, the Secure and Fair Enforcement (SAFE) Banking Act, which is scheduled for consideration before the House of Representatives on September 25.

H.R. 1595, sponsored by Representatives Ed Perlmutter (D-CO), Denny Heck (D-WA), Steve Stivers (R-OH) and Warren Davidson (R-OH), along with more than 200 bipartisan House members, includes an important provision ending Operation Choke Point. Specifically, it prohibits a federal banking agency from ordering a bank to terminate a banking relationship with a legal business unless there is a valid reason and that reason is not based solely on reputational risk.

The ostensible intent of Choke Point program was to prevent criminal fraud. However, in actuality, federal officials pressured banks to close accounts of businesses operating within state and federal law without legal recourse or due process solely because the officials were ideologically opposed to the businesses' existence. Under Operation Choke Point, businesses that were operating legally suddenly found banks terminating their accounts, in some cases accounts that the business had had for years, without explanation. While the program was targeted at gun dealers and payday lenders, other businesses, such as installment lenders, were also impacted. No legal business should be targeted solely based on the political bias of a particular administration.

Even though Operation Choke Point has officially ended, its effects remain. Financial services companies that follow state and federal laws are still having their accounts closed with very little explanation. Furthermore, companies that had their accounts closed may still be having trouble finding new banking relationships. Legitimate bank customers, like traditional installment lenders, which have provided safe and affordable small-dollar credit to consumers in their communities for over a century, deserve fair access and fair treatment by federal banking agencies.

We are pleased that Congress is acting in the interest of small businesses, who in turn, serve a large number of American consumers. Limiting the availability of lawful goods and services to consumers in an attempt to punish politically disfavored businesses harms consumers and sets a bad precedent. Government initiatives must be carried out on solid legal ground to be credible.

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<sup>1</sup> Founded in 1916, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance.

They should not be based on political bias and not undermine faith in government agencies and the rule of law.

We urge members of the House of Representatives to support H.R. 1595.

Sincerely,

A handwritten signature in black ink that reads "Bill Himpler". The signature is written in a cursive style with a large, prominent "B" and "H".

Bill Himpler  
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