

The Honorable Michael D. Crapo  
Chairman  
Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Crapo:

On behalf of the American Financial Services Association<sup>1</sup>, I am writing to thank you for your support of S. 3003, the “Financial Institution Customer Protection Act” and urge the Banking Committee to move this legislation forward.

As you know, S. 3003 would eliminate “Operation Choke Point,” a harmful former administration initiative. Specifically, the legislation would prohibit 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

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<sup>1</sup> Founded in 1916, the American Financial Services Association (AFSA) is the primary 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. AFSA members do not provide payday or vehicle title loans.

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.

Thank you for your leadership on this important issue. We look forward to continuing to work with you as this legislation moves through the Senate.

Sincerely,



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