

September 19, 2023

The Honorable Sherrod Brown
Chairman
Senate Banking, Housing and Urban Affairs
Committee
Washington, D.C. 20515

The Honorable Tim Scott
Ranking Member
Senate Banking, Housing and Urban Affairs
Committee
Washington, D.C. 20515

Dear Chairman Brown and Ranking Member Scott:

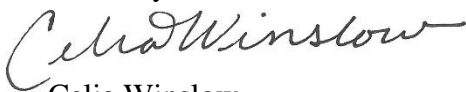
The American Financial Services Association (AFSA)¹ writes to express its strong support for the *Secure and Fair Enforcement Regulation Banking Act (SAFER) Banking Act*. This legislation includes an important provision ending Operation Choke Point. Specifically, it prohibits a federal banking agency from ordering a bank to terminate a banking relationship with a legal business unless there is a valid reason that is not based solely on reputational risk.

The ostensible intent of the “Operation Choke Point” initiative was to prevent criminal fraud. However, 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 initiative was targeted at gun dealers and payday lenders, other businesses, such as installment lenders, were also affected. No legal business should be targeted solely based on the political bias of a particular administration.

Even after Operation Choke Point officially ended, its effects remained. Financial services companies that are licensed and regulated still had their accounts closed with very little explanation. 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.

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, not political bias. Please contact me with any questions at 202-776-7300 or cwinslow@afsamail.org.

Sincerely,

A handwritten signature in black ink that reads "Celia Winslow". The signature is written in a cursive, flowing style.

Celia Winslow
Senior Vice President
American Financial Services Association

¹ 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.