



FOR IMMEDIATE RELEASE

Colorado's Actions Limit Interstate Banking Under DIDMCA *Plaintiffs Reiterate Strong Concerns, Consequences for Consumers*

Washington, DC (January 21, 2026) - Today, the state of Colorado filed a response in the 10th Circuit Court of Appeals as part of ongoing litigation regarding its attempt to regulate certain out-of-state banks by opting out of the uniform federal interstate banking framework under the Depository Institutions Deregulation and Monetary Control Act (DIDMCA).

As the plaintiffs in this case, the [National Association of Industrial Bankers](#), [American Financial Services Association](#), and [American Fintech Council](#) reiterate our strong objection and deep concern that Colorado's misinterpretation and misapplication of its limited opt-out rights not only contravene federal law, they would have serious and damaging consequences for consumers nationwide, and would put the time-tested state-federal dual banking system at risk.

"Colorado's attempted overreach threatens to raise costs, reduce access to credit, and make the system less fair for everyday Americans. That's why this matters not just to state banks and credit unions, but to our customers across the country," said Frank Pignanelli, Executive Director of the National Association of Industrial Bankers (NAIB).

"DIDMCA was intended to level the playing field between state and nationally chartered banks. Now, Colorado is attempting to regulate not just its state-chartered banks, but also banks chartered in other states," said Celia Winslow, CEO of the American Financial Services Association (AFSA). "This is not what DIDMCA was intended to do and is certainly not in the best interests of consumers in Colorado or anywhere else."

"As consumers are struggling with an affordability crisis and tighter household budgets, Colorado is attempting to unravel the national credit framework that keeps financial access competitive and consistent across state lines," said Phil Goldfeder, CEO of the American Fintech Council. "Their overreach disproportionately limits access to safe and affordable credit for low and moderate income families who need it the most. When responsible lenders are forced out of the market, consumers are left with fewer options, higher costs, and less transparency."

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Under Colorado’s approach, the terms of loan products would no longer be governed by a single, consistent national rule. Instead, the applicable interest rate could depend on where a consumer lives, where a card is issued, or even where a purchase is made ... and all subject to conflicting laws between states.

As Judge Rossman warned in her [dissent](#), this kind of extraterritorial reach not only contravenes established federal law, it undermines the uniform national credit markets Congress deliberately created. The practical result would be confusion for consumers and higher compliance costs for lenders – costs that are ultimately passed on to consumers through fewer choices, tighter credit, and higher prices.

Colorado is proposing that it can control the rates and fees charged by banks chartered in other states. No state has such national power. State-by-state rate caps that restrict market-based interest rates ultimately limit access to credit, particularly for lower-income Americans. When credit risk cannot be priced appropriately, responsible lenders pull back, disproportionately affecting lower- and middle-income households, small businesses, and consumers with thin or nontraditional credit profiles. Studies have found that lenders restricted credit in states such as [Arkansas](#) and [Illinois](#) after interest-rate caps were imposed.

At the same time, credit activity migrates toward the largest national banks, which operate under federal charters and are not subject to the same state-level constraints. With roughly 80 percent of banks state-chartered, serving as the primary engine of competition and consumer choice, Colorado’s attempted overreach would mean less competition, more concentration, and fewer consumer-friendly options – the opposite of what customers want.

National Association of Industrial Bankers, American Financial Services Association, and American Fintech Council remain steadfast in their opposition to Colorado’s efforts to defy the careful limits on opt-outs that Congress established in DIDMCA, which were designed to protect the federal interstate banking system, and will continue to urge the court to reject the state’s legal position.

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