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Rebeca Romero Rainey, *President and CEO*

April 4, 2022

The Honorable Ted Cruz  
United States Senate  
Washington, D.C. 20510

The Honorable Mike Braun  
United States Senate  
Washington, D.C. 20510

The Honorable Chuck Grassley  
United States Senate  
Washington, D.C. 20510

Dear Senators Cruz, Braun, and Grassley:

On behalf of community banks across the country, with nearly 50,000 locations, thank you for introducing S. 3954, legislation to prohibit the Federal Reserve from offering products or services directly to an individual, maintaining an account on behalf of an individual, or issuing a central bank digital currency directly to an individual.

ICBA adamantly opposes the direct provisioning of retail deposit accounts by the Federal Reserve known as “FedAccounts.” FedAccounts would compete directly with checking and savings accounts offered by community banks and raise serious privacy concerns, as they could potentially be used by the government to track consumer financial transactions.

A central bank digital currency (CBDC), under consideration by the Federal Reserve and the Biden Administration, presents many of the same objections as FedAccounts. Notably, it would directly compete for bank deposits that fund lending. Any type of direct-to-consumer CBDC could create an outflow of deposits from community banks with an adverse impact on credit availability.

Thank you for introducing S. 3954, which would prohibit both FedAccounts and a direct-to-consumer CBDC. ICBA is pleased to support this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

*The Nation’s Voice for Community Banks.®*

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