

RECAP: INSIDE THE WHITE HOUSE'S EXECUTIVE ORDER ON DEBANKING

September 25, 2025

On August 7th, President Trump signed Executive Order 14331 to “ensure Americans are not denied access to financial services because of their constitutionally or statutorily protected beliefs, affiliations, or political views, and to ensure that politicized or unlawful debanking is not used as a tool to inhibit such beliefs, affiliations, or political views.”

WHAT IS DEBANKING?

Debanking is the process by which a federal regulator uses broad regulations to advance a political agenda by pressuring financial institutions to restrict or modify a customer's access to its banking services based on political or religious beliefs.

AFPI RECOMMENDATIONS ENACTED BY THE WHITE HOUSE

- ✓ Required regulators to remove “reputational risk” or equivalent concepts from the examination process that allowed financial regulators to coerce financial institutions into enforcing unlawful and politicized debanking.
- ✓ Revoked informal departmental guidance memos and directives used across federal agencies that allowed financial regulators to pressure financial institutions to engage in debanking.
- ✓ Called for a comprehensive strategy to combat debanking across the federal government, including the consideration of legislative or regulatory options to eliminate debanking.

RECOMMENDATIONS NEEDED BY CONGRESS

- ❖ Permanently remove “reputational risk,” such as required in the Financial Integrity and Regulation Management (FIRM) Act.
- ❖ Establish a Federal Fair Access Standard: Policymakers should establish a federal Fair Access standard to prohibit financial institutions from making business decisions for political reasons.
- ❖ Take the “M” out of CAMELS: Policymakers should remove the subjective grading of financial institutions by regulators by removing the management, or “M” standard which is the Federal Deposit Insurance Corporation’s (FDIC) subjective assessment of the competency of bank management.
- ❖ Modernize Antiquated Anti-Money Laundering (AML) Laws and Know Your Customer rules: Outdated rules make innocuous contemporary transactions appear criminal, often forcing banks to close accounts based on legitimate transactions.

CONCLUSION

Executive Order 14331 enacted several key AFPI policy recommendations to end debanking. In order to ensure a future Administration does not reverse course, Congress should codify the terms of the EO and policy recommendations in AFPI's Debanking Research Report.