



September 20, 2021

**TRANSMITTED VIA ELECTRONIC MAIL**

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

Dear Speaker Pelosi and Majority Leader Schumer:

On behalf of the members of the National Bankers Association (NBA), I write to express our concerns with the Treasury Department's Green Book proposal that would require financial institutions to report to the IRS on the deposits and withdrawals of all business and personal accounts, as well as transfers between accounts of the same owner. The NBA is the leading trade association for the country's Minority Depository Institutions (MDIs). Our mission is to serve as an advocate for the nation's MDIs on all legislative and regulatory matters concerning and affecting our member institutions as well as the communities they serve. Many of our member institutions are also Community Development Financial Institutions (CDFIs), and many of our member institutions have become banks of last resort for consumers and businesses who are underserved by traditional banks and financial service providers.

While we support the goal of improving tax compliance to collect appropriate tax revenues due, we urge you to consider less intrusive alternatives in pursuit of this goal. We object to the broad, untargeted nature of the Treasury proposal. The NBA is very concerned about the cost of this proposed increased reporting requirement. Our institutions have many federally mandated reporting requirements in place currently and they are very difficult to deal with given the size of our institutions and the lack of technological resources to defray the costs associated with compliance. Any new requirements should take into consideration the size and capabilities in the banking industry and allow for exemptions or offsetting resources for smaller institutions like ours.

Our member banks work with customers that are often financially fragile and in communities frequently targeted by predatory lenders. We have seen how predatory practices can devastate a community and their residents. We firmly believe, however, that a fair regulatory system should: (1) explicitly recognize the dissimilarities in capacity and systemic risk posed by different institutions based on size and scope of activities; (2) recognize that flexibility is important in serving distressed and underserved communities, as well as moving un- and under-banked populations into the economic mainstream; and (3) maintain effective consumer protection. We

believe these goals are not antithetical with greater tax revenue collection, but collection of comprehensive financial account data to determine tax liability must be narrowly targeted.

The Federal government has provided significant relief during the course of the pandemic aimed at mitigating the economic impact on the low-and-moderate-income communities that our member banks serve. Our institutions are increasingly well positioned to allow these communities to rebuild and we would not want to divert much needed capital from this effort in order to collect marginal amounts of new revenue. We appreciate the opportunity to share our views with you and look forward to serving as a resource to you to ensure both a robust and inclusive response to and recovery from the COVID-19 pandemic.

Sincerely,

A handwritten signature in cursive script, appearing to read "N. Elam".

Nicole A Elam

President and CEO

National Bankers Association