

**The FDIC Act**  
***The Financial Defense for Industrial Contractors Act***  
**Senators Rubio, Cramer, Cotton, Blackburn and Cruz**

Six major banks operating in the United States—Wells Fargo, JP Morgan, Bank of America, BNP Paribas, Barclays, and SunTrust—have announced they will no longer provide depository services to contractors which operate facilities on behalf of the Immigration and Customs Enforcement Agency (ICE). These businesses are being denied banking services despite being law-abiding, creditworthy entities which are fulfilling services contracted by the federal government under statutory authority enacted by Congress.

These banks receive significant public support from American taxpayers. They receive explicit guarantees for their depositors' savings, and implicit guarantees from the Federal Reserve. Due to their size, they also control significant portions of the credit market directly through their lending and indirectly by setting trends and norms for other banks to follow. They control over \$7 trillion in assets combined.

By denying funds to legitimate federal contractors, these banks are using their systemic importance and taxpayer-provided guarantees to counteract the public policy of the United States. Banks have a right to deny funds to whichever businesses they choose, but they should not be able to deny funds to businesses carrying out federal policy and continue to receive taxpayer money.

***The Financial Defense for Industrial Contractors (FDIC) Act*** would amend the Federal Deposit Insurance Act to remove Federal Deposit Insurance Corporation (FDIC) insurance from banks with assets over \$50 billion and which refuse to provide banking services to firms with an active federal contract which are otherwise creditworthy and law-abiding.

If a bank violates this standard, the FDIC Board of Directors would begin the FDIC insurance termination process pursuant to the Federal Deposit Insurance Act, including a notice of intent, FDIC board hearing, and a transition phase of up to two years.

**Note:** This bill would not affect community banks or credit unions.