U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF GENERAL COUNSEL
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On August 7, 2025, President Donald J. Trump issued the Executive Order entitled: "Guaranteeing Fair Banking for All Americans" (the "Fair Banking Executive Order") instructing the SBA, along with federal banking regulators, to end the practice of politicized or unlawful debanking – the practice where banks and financial services providers, both independently and at the direction of federal regulators, freeze or close accounts, deny loans, and refuse services to "politically disfavored" people and businesses.

The Fair Banking Executive Order reverses a regulatory scheme that started under the Obama Administration known as Operation Chokepoint – when federal regulators began pressuring financial services providers to debank businesses in the gun industry. This practice spread to other politically disfavored entities that were systematically targeted and purged from banks' customer ranks, promoting unlawful regulatory and business practices that essentially institutionalized financial discrimination. Until recently, most bank executives never exposed or attempted to stop this coercion – choosing instead to ignore, yield, or join federal regulators in the systemic effort to deny banking services to ideological opponents.

According to 2025 testimony by Senator Elizabeth Warren, there were 11,955 complaints of debanking made to financial regulators.[1] Acknowledging the practice may constitute statutory and/or constitutional violations, banking regulators since have taken action to halt discrimination by restoring financial, risk-based guidance and eliminating politicized or unlawful "reputational risk" within federal regulations. These prudential regulators, including the Federal Reserve Board, the OCC, and the Federal Deposit Insurance Corporation, along with the U.S. Department of Justice, are continuing to address the impact on clients of debanking.[2]

There are myriad instances of religious and pro-life groups being debanked under the guise of "reputational risk."[3] Even President Donald J. Trump and his family were debanked by numerous institutions that refused to accept his deposits or closed his accounts altogether.[4]

This kind of discrimination against any American individual or entity is wholly unacceptable and will no longer be tolerated. Pursuant to the Fair Banking Executive Order, the SBA is taking the action described in this letter to ensure no financial institution participating in the agency's loan guarantee programs unfairly targets any current or future customers on the basis of political, religious, or ideological beliefs.

As required by the Fair Banking Executive Order, Executive Order 14149 (Restoring Freedom of Speech and Ending Federal Censorship), the U.S. Constitution, and the laws, regulations and rules of the United States, the SBA hereby requires your organization and its subsidiaries as identified in the Fair Banking Executive Order, to cease any politicized or unlawful debanking actions.

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[1] *See* United States Senate Committee on Banking, Housing, and Urban Affairs, AT SENATE BANKING HEARING, WARREN CALLS ON PRESIDENT TRUMP TO WORK WITH CFPB TO PROTECT AMERICANS AGAINST DEBANKING, *https://www.banking.senate.gov/newsroom/minority/at-senate-banking-hearing-warren-calls-on-president-trump-to-work-with-cfpb-to-protect-americans-against-debanking* (February 5, 2025).

[2] *See* House Committee on Financial Services, MEUSER: THE BIDEN ADMINISTRATION'S OPERATION CHOKE POINT 2.0 WAS CARRIED OUT BY THE PRUDENTIAL REGULATORS TO TARGET AND DEBANK THE DIGITAL ASSET ECOSYSTEM, *https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=409457* (February 6, 2025); *see also* Allysia Finley, *Debanking and the Return of Operation Choke Point*, WALL STREET JOURNAL https://www.wsj.com/opinion/debanking-and-the-return-of-operation-choke-point-finance-money-government-8d507083?gaa_at=eafs&gaa_n=ASWzDAhaiS-_kzNLJcSEGfUmU-QPjsQmNocKisSv41OHtIeu_xkBikT93ZZJ&gaa_ts=689655af&gaa_sig=lBZn5wKYF-_ojTQGtF5dcZrMIiRNLUEfYlSjTT4vpM_JQyCab3QysKceI4OHpWprgDTAE7UL-SYZFdcrf5C3yg%3D%3D (December 15, 2024); *see also* The White House, GUARANTEEING FAIR BANKING FOR ALL AMERICANS https://www.whitehouse.gov/presidential-actions/2025/08/guaranteeing-fair-banking-for-all-americans/ (August 7, 2025); *see also* Charles Gasparino, *JPMorgan and Bank of America 'Debanked' Trump Under Pressure from Biden Admin Over January 6: Sources*, NEW YORK POST, https://nypost.com/2025/08/05/business/jpmorgan-and-bank-of-america-debanked-trump-under-pressure-from-biden-admin-sources/ (August 5, 2025).

[3] *See* Ross Kerber, *Exclusive: Conservative Investor Pulls JPMorgan Resolution, Cites Changes Addressing "Politicized Finance"*, REUTERS, https://www.reuters.com/sustainability/boards-policy-regulation/conservative-investor-pulls-jpmorgan-resolution-cites-changes-addressing-2024-05-21/ (May 21, 2024); *See also* Jamie Joseph, *Christian Nonprofit Claims it was "Debanked" by Bank of America Over its Religious Views*, FOX NEWS https://www.foxnews.com/politics/christian-nonprofit-claims-debanked-bank-america-religious-views (August 25, 2023); *see also* Ian M. Gatti, *Religious Nonprofit Group Led by Former US Amb. Sam Brownback Says Chase Closed its Bank Account*, THE CHRISTIAN POST, https://www.christianpost.com/news/religious-nonprofit-group-says-chase-closed-its-bank-account.html (October 11, 2022); *see also* Jathon Sapsford, *JPMorgan Targeted by Republican States Over Accusations of Religious Bias*, WALL STREET JOURNAL, https://www.wsj.com/politics/jpmorgan-targeted-by-republican-states-over-accusations-of-religious-bias-903c8b26?mod=Searchresults_pos1 (May 13, 2023).

[4] Michael Stratford, *Trump Says JPMorgan, Bank of America Rejected His Deposits*, POLITICO https://www.politico.com/news/2025/08/05/trump-jpmorgan-bank-america-debanking-00494729 (August 5, 2025); *see also* The White House, FACT SHEET: PRESIDENT DONALD J. TRUMP GUARANTEES FAIR BANKING FOR ALL AMERICANS, https://www.whitehouse.gov/fact-sheets/2025/08/fact-sheet-president-donald-j-trump-guarantees-fair-banking-for-all-americans/ (August 7, 2025).

Furthermore, pursuant to the Fair Banking Executive Order, you are required to take the following action:

- By December 5, 2025, your institution must identify any past or current formal or informal policies or practices that require, encourage, or otherwise influence your institution to engage in politicized or unlawful debanking as specified by the Fair Banking Executive Order.
- By December 5, 2025, your institution must make reasonable efforts to identify and reinstate any previous clients of your institution or any subsidiaries denied service through a politicized or unlawful debanking action in violation of a statutory or regulatory requirement under section 7(a) of the Small Business Act (15 U.S.C. 636) or any requirement in a Standard Operating Procedures Manual or Policy Notice, and send notice of the reinstatement to the injured party;
- By December 5, 2025, your institution must identify all potential clients denied access to financial services provided by your institution or any subsidiaries through a politicized or unlawful debanking action in violation of a statutory or regulatory requirement under section 7(a) of the Small Business Act or any requirement in a Standard Operating Procedures Manual or Policy Notice, and provide notice to each otherwise qualified client advising of the denied access and the renewed option to engage in such services previously denied; and
- By December 5, 2025 your institution must identify all potential clients denied access to payment processing services provided by your institution or any subsidiaries through a politicized or unlawful debanking action in violation of a statutory or regulatory requirement under section 7(a) of the Small Business Act or any requirement in a Standard Operating Procedures Manual or Policy Notice, and provide notice to each victim advising of the denied access and the renewed option to engage in such services previously denied.

In order for your institution to maintain good standing status under 13 CFR § 120.410(e) and § 120.420(e), you must comply with the Fair Banking Executive Order and the above requirements. For clarity, any politicized or unlawful debanking action, regardless of whether it directly involves an SBA loan applicant, violates the Fair Banking Executive Order and the requirements for your institution to remain in good standing with the SBA. Failure to comply will result in SBA taking appropriate oversight action. As provided for in SBA SOP 50 53 (2), these actions may include, but are not limited to, non-renewal of delegated authority, a headquarters meeting, increased reporting, a Supervisory Letter, requiring a Board Resolution or Commitment Letter, and for intermediaries, withholding of technical assistance grant funds and, as identified in the Fair Banking Executive Order, referral to the U.S. Attorney General for appropriate civil action.

Within 30 days following the expiration of the December 5, 2025, deadline, you shall provide the SBA with a detailed report addressing and evidencing your compliance with each of the above requirements. All reports shall be submitted to debanking@sba.gov within the above-stated time frame.

Sincerely,

Wendell Davis
General Counsel, Office of the General Counsel
U.S. Small Business Administration