

S 113

Promoting New Bank Formation Act of 2025

**Congress:** 119 (2025–2027, Current)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Jan 16, 2025

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Jan 16, 2025)

**Official Text:** <https://www.congress.gov/bill/119th-congress/senate-bill/113>

Sponsor

**Name:** Sen. Hyde-Smith, Cindy [R-MS]

**Party:** Republican • **State:** MS • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Sheehy, Tim [R-MT]	R · MT		Jan 27, 2025

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Jan 16, 2025

Subjects & Policy Tags

**Policy Area:**

Finance and Financial Sector

Related Bills

No related bills are listed.

## Promoting New Bank Formation Act of 2025

This bill eliminates and reduces certain requirements applicable to new financial institutions, certain rural community banks, and federal savings associations.

Under the bill, federal banking agencies must issue rules allowing new financial institutions to meet capital requirements within three years. During this period, a financial institution may request to deviate from an approved business plan and the appropriate agency has 30 days to approve or deny the request.

In addition, the community bank leverage ratio—a way of evaluating debt levels—is reduced for new rural community banks. Specifically, new rural community banks must have a ratio of 8%, with a three-year phase-in of the rate. After this period, the ratio rises to its current level of 9%.

Finally, the bill removes certain restrictions to allow federal savings associations to invest in, sell, or otherwise deal in agricultural loans.

## Actions Timeline

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- **Jan 16, 2025:** Introduced in Senate
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