What Banks Need to Know About the Main Street Capital Access Act

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On January 7, 2026, Representative J. French Hill (R-AR) introduced H.R. 6955, the Main Street Capital Access Act ("Main Street Act"), in the U.S. House of Representatives. The bill was referred to the House Committee on Financial Services the same day. On March 4, 2026, the House Financial Services Committee approved the bill and ordered it reported to the full House, marking a significant procedural milestone.

The bill packages reforms across eight titles designed to accelerate de novo bank formation; require risk-tailored regulation; amend the CAMELS rating system to increase objectivity; curb rulemaking by guidance; expand community-bank funding flexibility; clarify small-bank M&A pathways; modernize resolution tools; and enable responsible bank-fintech collaboration.

The bill has received strong support from banking trade associations representing a broad range of regional and community banks. It aims to reduce regulatory burden, inconsistent supervision, and barriers to sustainable growth for regional and community banks, with the goal of jumpstarting local bank formation while allowing greater banking access for families, small businesses, and local economies.

The Main Street Act is structured into eight titles, which can be summarized as follows:

- **Title I – New Bank Formation and Local Community Access:** Accelerates de novo bank formation, easing early-stage capital constraints, increasing transparency around charter approvals, and expanding access to banking services in rural and underserved communities.
- **Title II – Tailoring Bank Regulation:** Requires regulators to tailor rules to a bank's risk profile and business model, expands eligibility for simplified capital frameworks (including the Community Bank Leverage Ratio), and adjusts thresholds to reduce disproportionate burden on smaller institutions.

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- **Title III – Fair and Transparent Bank Supervision:** Reforms supervisory practices by modernizing the CAMELS (Capital Adequacy, Asset Quality, Management Earnings, Liquidity, and Sensitivity to market risk) rating system, reducing subjectivity, improving examiner accountability, and streamlining exams for well-managed banks by limiting redundant, overly frequent, or low-risk review activities.
- **Title IV – Regulatory Accountability and Transparency:** Limits enforcement through informal guidance, increases agency accountability and the frequency of regulatory reviews, and improves transparency in how banking rules are developed and applied.
- **Title V – Strengthening Local Bank Funding:** Modernizes discount window access and revises brokered deposit rules to preserve stable funding sources such as reciprocal and custodial deposits, particularly for smaller banks.
- **Title VI – Promoting Bank Competition and Merger Clarity**: Reduces uncertainty and inconsistency in merger reviews, especially for smaller banks, by clarifying standards and studying the competitive impacts of consolidation.
- **Title VII – Strengthening Transparency and Involvement in Bank Resolutions:** Updates resolution frameworks to better reflect the realities of community and mid-sized institutions, increasing transparency and flexibility outside of large-bank failure models.
- **Title VIII – Facilitating Innovation and Bank Partnerships:** Supports banks' ability to innovate through fintech partnerships and investments while maintaining appropriate oversight, recognizing technology as essential to competitiveness and access.

The following paragraphs summarize the potential practical effects of each of the eight titles and what they may mean for banking executives:

1. Shift From High Barriers to Entry Toward Encouraging New Bank Formation

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The first title introduces a phased-in capital framework for de novo institutions over their first three years of operations, gradually increasing applicable capital requirements as banks establish stable operations and risk profiles. Title I also mandates public annual reporting on charter applications and directs a study of rural depositories, signaling a philosophical pivot toward revitalizing local banking ecosystems rather than constraining new activity.

Why bank executive teams should care: If enacted, more predictable, time-bound charter decisions and staged capital relief would ease barriers for banks to expand into underserved areas or banking deserts and seed new product growth.

2. Shift From One-Size-Fits-All Regulation Toward Tailored, Risk-Based Requirements

Sponsors of the bill emphasized the need to move away from the "one-size-fits-all" regulatory standard under the Dodd-Frank Act. Title II requires federal regulators to tailor rules to the size, risk profile, and business model of the supervised institution, rather than applying prudential standards universally. The bill raises the asset threshold to qualify as a Small Bank Holding Company for certain regulatory relief from $3 billion to $6 billion and increases eligibility for the Community Bank Leverage Ratio (CBLR) framework by lifting the threshold from $10 billion to $15 billion.

Why bank executive teams should care: Tailored standards reduce compliance drag and frees management bandwidth and capital for strategic growth initiatives without compromising safety and soundness.

3. Shift From Opaque, Subjective Supervision Toward Transparent, Objective Examinations

The Main Street Act emphasizes greater predictability and objectivity in examinations. Title III reduces examiner discretion and enhances consistency across regulatory agencies. It also establishes an Office of Independent Examination Review to handle material supervisory disputes and restricts the use of "reputational

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risk" as grounds for adverse findings.

Why bank executive teams should care: More predictable, evidence-based exams reduce variance in ratings, limit unexpected remediation, and improve strategic planning and investor communication. Independent review strengthens due-process options for contesting material supervisory determinations.

4. Shift from Regulatory Expansion Toward Regulatory Accountability and Discipline

Title IV clarifies that regulatory guidance cannot be treated as legally binding and increases the frequency of systemic regulatory reviews, compelling agencies to retire outdated or duplicative requirements.

Why bank executive teams should care: This reduces the risk of surprise obligations via supervisory letters or manuals, improves rule-of-law clarity for the board, and lowers unplanned compliance costs driven by shifting supervisory expectations.

5. Shift From Rigid Liquidity Restrictions Toward Flexible, Community-Focused Funding

Title V limits the circumstances under which reciprocal and custodial deposits are treated as brokered deposits, expanding existing exemptions and recognizing their function as core funding for community banks. Once they are no longer deemed brokered, these deposits would not subject banks to restrictions that apply to brokered funds, such as prohibitions on acceptance by institutions that are less than well capitalized, interest-rate caps tied to national rate ceilings, and heightened supervisory scrutiny. In tandem, Title V modernizes discount window access, further improving liquidity management for smaller institutions.

Why bank executive teams should care: Greater funding flexibility improves resilience to localized deposit stress, supports loan growth without triggering punitive classifications, and reduces reliance on wholesale funding during periods of market volatility.

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6. Shift From Unpredictable Merger Oversight Toward Clarity for Smaller Bank M&A

Title VI simplifies the bank merger review processes for smaller institutions and requires studies on how competition standards affect small bank combinations (i.e., an institution with less than $10 billion in assets).

Why bank executive teams should care: Greater predictability in M&A reviews and approvals can unlock strategic combinations that deliver scale benefits in technology, compliance, and specialty capabilities, particularly for sub-$10B and sub-$25B banks facing rising fixed costs.

7. Shift From Rigid Resolution Frameworks Toward More Flexible and Transparent Bank Resolutions

Title VII focuses on transparency and oversight of how regulators resolve bank failures, with greater reporting to Congress on the use and impact of resolution tools.

Why bank executive teams should care: Clear, right-sized resolution playbooks reduce uncertainty priced into funding and counterparty relationships, and can mitigate reputational risk associated with idiosyncratic stress events (i.e., bank-specific disruption, such as a liquidity run, operational failure, or governance issue, that can strain an individual institution even when the broader financial system is healthy).

8. Shift From Caution on Innovation Toward Enabling Responsible Bank–Fintech Partnerships

Title VIII promotes fintech collaboration by extending merchant banking investment periods and requiring studies on bank-fintech partnership models. This reflects a move away from the historically cautious or reactive regulatory stance on innovation and toward enabling banks, especially community banks, to participate in evolving digital and partnership ecosystems with clearer guardrails.

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Why bank executive teams should care: Title VIII aims to improve transparency and regulator understanding of bank-fintech partnerships, which can accelerate product speed-to-market and enable cost-effective modernization of customer experience, data, and payments, without build-vs-buy decisions.

Key Takeaways

In summary, the Main Street Act embodies eight notable shifts in regulatory philosophy since the post-2008 financial crisis. Rather than expanding regulatory requirements, the Main Street Act seeks to realign banking supervision toward a more proportional, transparent, flexible, and innovation-aligned framework. For senior bank leadership, particularly at community and regional mid-sized institutions, the bill provides a framework that could influence how banks pursue growth, manage risk, and remain competitive in today's increasingly complex financial environment.

FBT Gibbons represents a wide variety of financial institutions and is available to help you navigate key legislative changes and emerging compliance considerations. For further guidance, contact the author or any attorney with our Regional and Community Banks team.

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