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United States House of Representatives
One Hundred Nineteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

July 21, 2026

The Honorable Michelle Bowman
Vice Chair for Supervision
Board of Governors of the Federal Reserve System
20th St. & Constitution Ave. NW
Washington, D.C. 20551

Dear Vice Chair Bowman:

We are pleased to see in the recent Supervision and Regulation Report[1] that the Federal Reserve Board (Board) under your leadership is making headway in shortening the timeframes for processing applications related to banking mergers and acquisitions (M&A). We write to you to encourage your agency to make additional progress in reducing the time to process M&A applications.

In any vibrant banking sector, some consolidation is expected as well-managed, financially strong firms seek to enter new markets and achieve economies of scale. Consumers benefit through access to additional banking products and through wider availability of services. Acquiring banks often bring stronger management to acquired banking organizations, and this management can work to provide more capital to households and businesses in the target bank's geographic footprint.

Since the 1960s, Congress has charged the Board and the other Federal banking agencies with evaluating banking combinations that could have significant anticompetitive effects or impose other harms on communities.[2] Regarding competition, the Federal Reserve System has developed a publicly available quantitative framework that permits potential parties to a banking merger the ability to anticipate possible competitive concerns that could arise in the regulatory review process.[3] Regarding other factors considered by the agencies when acting on a banking application, firms also have the benefit of feedback from their own supervisors on their financial, managerial, and consumer compliance performance and have access to detailed public reporting submitted by banking organizations, including public evaluations of performance under the Community

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[1] Bd. of Governors of the Fed. Rsrv. Sys., Supervision and Regulation Report (June 2026) [hereinafter June 2026 S&R Report], https://www.federalreserve.gov/publications/files/202606-supervision-and-regulation-report.pdf.
[2] *See* 12 U.S.C. §§ 1828(c); 1842.
[3] Competitive Analysis and Structure Source Instrument for Depository Institutions (CASSIDI), FED. RSRV. BANK OF ST. LOUIS, https://cassidi.stlouisfed.org/index.

Reinvestment Act of 1977.[4] Public orders on applications[5] and agency guidance (such as Supervision and Regulation Letter 14-2[6]) also help to increase transparency and predictability.

In view of these sources of information, the great majority of banking mergers that raise competitive or other concerns are identified before the formal submission of a written application to Federal banking agencies. Stated another way, most proposals formally presented to regulators are the survivors of a substantial vetting process between motivated private parties while problematic proposals are abandoned before such formal presentation.

This economic reality makes it even more important that the Federal banking agencies act swiftly on these applications. As you noted in a speech in October 2025, "[t]he costs of delay[ed processing of banking applications] can be significant, damaging the value of the target bank, creating uncertainty for bank employees and customers, and resulting in costly delays for critical systems, integration contracts, and service agreements."[7]

In the 119th Congress, Financial Services Committee Republicans have advanced several measures intended to expedite review of banking applications. These measures include H.R. 1900,[8] the *Bank Failure Prevention Act of 2025*. The bill requires the Federal banking agencies to notify applicants regarding the completeness of the application record and requires agencies to act on complete applications within a certain period.

We understand that your agency is making progress to shorten application processing times. In its most recent Supervision and Regulation Report,[9] your agency stated that the average and median number of days to act on an application was slightly lower during 2025 compared to 2024.[10]

However, the report also identified certain sources of delay, such as (1) the receipt of adverse comments on an application[11] and (2) the inability of certain proposals to proceed to final action under Federal Reserve Bank delegated authority[12] and instead requiring action by vote of the Board.[13] The report also states that, although the median processing time for all pending applications decreased in 2025 compared to 2023 and 2024, the average processing time for such

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[4] 12 U.S.C. § 2901 *et seq.*
[5] *E.g.*, *Enforcement Actions & Legal Developments*, BD. OF GOVERNORS OF THE FED. RSRV. SYS., https://www.federalreserve.gov/supervisionreg/legal-developments.htm (last updated Feb. 14, 2024).
[6] Bd. of Governors of the Fed. Rsrv. Sys., Supervision & Regul. Letter 14–2/Consumer Affs. Letter 14–1, Enhancing Transparency in the Federal Reserve's Applications Process (Feb. 24, 2014), https://www.federalreserve.gov/supervisionreg/srletters/sr1402.htm.
[7] Michelle Bowman, Vice Chair for Supervision, Bd. of Governors of the Fed. Rsrv. Sys., Community Banking: Looking Toward the Future, Remarks Before the Board of Governors of the Federal Reserve System Community Banking Conference (Oct. 9, 2025), https://www.federalreserve.gov/newsevents/speech/bowman20251009b.htm.
[8] 119th Cong. (reported to the House June 4, 2025). The bill also appears as section 604 of H.R. 6955, the *Main Street Capital Access Act,* 119th Cong. (reported to the House Apr. 20, 2026).
[9] June 2026 S&R Report, *supra* note 1.
[10] *Id.* at 27.
[11] *Id.* at 28–29.
[12] *See* 12 C.F.R. § 265.20(c)(12) (permitting the Federal Reserve Banks to approve, under authority delegated by the Board, certain banking M&A applications requiring prior approval of the Board).
[13] June 2026 S&R Report, *supra* note 1, at 29.

applications increased over the same time.[14] Moreover, in March of this year, the Board's Office of Inspector General recommended that the Board enhance its ability to monitor the efficiency and timeliness of its processing of M&A applications.[15]

In light of the foregoing, we commend your work to date to improve banking M&A applications processing times and request your further efforts to that end, including:

- Swift implementation of the initiatives agreed to in response to the Office of Inspector General's March 2026 review, allowing for better insight into current performance and areas for improvement;
- A review of long-pending applications focused on identifying and removing obstacles to final action; and
- An identification of additional classes of applications currently requiring direct action of the Board that would be appropriate for action under Federal Reserve Bank delegated authority.

In your response, we request the inclusion of a description of the Board's initiatives, current and planned, to improve M&A application processing, including anticipated project milestones. Thank you for your prompt attention to these matters.

Sincerely,

French Hill
Chairman

Andy Barr
Chairman,
Subcommittee on Financial Institutions

Bill Huizenga
Vice Chairman

Roger Williams
Member of Congress

[14] *Id.* at 30 tbl. 8.
[15] Off. of Inspector Gen., Bd. of Governors of the Fed. Rsrv. Sys., Rep. No. 2026-SR-B-004, The Board Should Enhance Its Ability to Monitor the Efficiency and Timeliness of Its Processing of Certain Banking Applications (Mar. 23, 2026), https://oig.federalreserve.gov/reports/board-banking-applications-mar2026.htm.

Barry Loudermilk
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Tim Moore
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John Rose
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Ralph Norman
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Young Kim
Member of Congress

Scott Fitzgerald
Member of Congress

Monica De La Cruz
Member of Congress

CC: The Honorable Maxine Waters, Ranking Member
The Honorable Bill Foster, Ranking Member, Subcommittee on Financial Institutions
The Honorable Kevin Warsh, Chairman of the Board of Governors of the Federal Reserve System