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Banks Face Tough Questions on Politicized Debanking

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Lori Sommerfield | Chris Willis

Lori Sommerfield and Chris Willis, partners in Troutman Pepper Locke's Consumer Financial Services Regulatory Practice Group, were quoted in the November 14, 2025 *Bank Director* article, "Banks Face Tough Questions on Politicized Debanking."

> Even if smaller banks aren't a main focus, the debanking issue "has all the hallmarks of something that the agencies will be actively looking for" in their examinations, says Chris Willis, a partner at the law firm Troutman Pepper Locke.
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> The SBA's request was a heavy lift that's since been streamlined for community banks, notes Lori Sommerfield, a Troutman Pepper Locke partner. Banks with less than $30 billion in assets can now submit a form asserting they conducted a "reasonable review" of their policies for any debanking problems. Those that identified policies that encouraged debanking must review whether they denied access to customers over the last five years and lay out any steps taken to provide redress.
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> To limit future risks, banks should ensure they prepare "substantiated and detailed written rationale" for why they closed a customer's account or denied them a loan, says Troutman Pepper Locke's Sommerfield. "That will be very helpful to rebut a presumption of debanking," she says. She and other lawyers flagged potential legal risks for banks tied to regulators' new debanking focus.

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