

Debanking: The Danger it Poses

CHRISTOPHER PARR AND JACOB OGAN

JANUARY 23, 2025

Examples of Debanking

KEY POINTS

Debanking refers to an attempt by major financial institutions to deny, restrict, or terminate banking services based on a customer's ideological, political, religious, and social views.

Florida and Tennessee have passed laws prohibiting banks from discriminating against persons based on religious exercise or political opinions.

Banks serve a public purpose, and the FDIC supports them with public tax dollars. They have a responsibility to not debank a significant portion of the public for their views.

Ambassador Sam Brownback's National Council for Religious Freedom (NCRF)

- The National Committee for Religious Freedom, run by former Senator, Governor, and Ambassador Sam Brownback, was debanked by JPMorgan Chase in 2022.¹
- JPMorgan Chase did not explain why the account was terminated, but later suggested that it might be reinstated if NCRF provided donor details.²

Moms for Liberty

- In 2022, PayPal froze their account, restricting access to funds and halting donor payments, due to ideological reasons.³
- The account was reinstated after Governor Ron DeSantis intervened, sparking debates over "debanking" and political discrimination by financial institutions.

Arkansas Family Council

- In 2021, the Arkansas Family Council’s account was canceled by a credit card processor linked to Chase Bank, raising concerns over “debanking” of conservative and religious groups.⁴
- Arkansas Attorney General Tim Griffin, along with 22 other state attorneys general, urged for greater transparency and equal treatment in shareholder resolutions on debanking.

How can we combat debanking?

Support banks which don’t engage in debanking for religious and political reasons.

- Many conservative are leaving large banks where they are at a risk of debanking and joining banks which are committed to serving all customers.

Encourage banks to stop their debanking practices.

- After public pressure from a shareholder, JPMorgan Chase ceased requiring merchants to not receive payments based on racism or sexual harassment claims and said that it will serve customers “regardless of political, social or religious viewpoints.”⁵

What are other states doing?

Florida House Bill 989

- Prohibits debanking on the basis of “(1) Political opinions, speech, or affiliations; (2) Religious beliefs, religious exercise, or religious affiliations; or (3) ‘Any factor if it is not a quantitative, impartial, and risk-based standard, including any such factor related to the person’s business sector.’”⁶

Tennessee House Bill 2100

- “Prohibits financial institutions and insurers from denying or canceling services to a person, or otherwise discriminating against a person, based upon certain factors,

including the person’s political opinions, speech, or affiliations, or religious beliefs, religious exercise, or religious affiliations”⁷

Biden’s Department of the Treasury has criticized these laws, referring to them as a national security risk. In response, 20 Republican Attorney Generals disputed the Department’s characterization, noting that the Biden Administration has stoked confusion over the true purpose of these laws.⁸

Endnotes

¹ *Fox Business* (<https://www.foxbusiness.com/politics/chase-bank-allegedly-shutters-bank-account-religious-freedom-nonprofit-demands-donor-list>)

² *The Daily Signal* (<https://www.dailysignal.com/2023/02/23/jpmorgan-fights-shareholder-resolutions-questioning-closing-religious-freedom-groups-account/>)

³ Media Research Center (https://newsbusters.org/blogs/free-speech/catherine-salgado/2022/08/04/paypal-unfreezes-moms-liberty-account-after-gov?utm_source=chatgpt.com)

⁴ Family Council (https://familycouncil.org/?p=28374&utm_source=chatgpt.com)

⁵ *Reuters* (<https://www.reuters.com/sustainability/boards-policy-regulation/conservative-investor-pulls-jpmorgan-resolution-cites-changes-addressing-2024-05-21/>)

⁶ *Consumer Finance Monitor* (<https://www.consumerfinancemonitor.com/2024/07/17/new-florida-law-prohibits-banks-from-considering-customers-political-religious-beliefs/>)

⁷ Tennessee General Assembly (<https://wapp.capitol.tn.gov/apps/BillInfo/default.aspx?BillNumber=HB2100&GA=113#:~:text=Consumer%20Protection%20%2D%20As%20enacted%2C%20requires,discriminating%20against%20a%20person%2C%20based>)

⁸ Iowa Attorney General (<https://www.iowaattorneygeneral.gov/newsroom/attorney-general-bird-leads-20-state-coalition-opposing-biden-harris-administration-defense-of-discr>)