

FINANCIAL DISCRIMINATION

BACKGROUND

The firearm and ammunition industry has been victim of financial discrimination for years. Operation Choke Point led by the Federal Deposit Insurance Corporation (FDIC) and the Department of Justice (DOJ) under the Obama Administration sought to stop financial institutions from offering services to several industries, including the firearm industry. The goal of the operation was to coerce banks, third-party payment processors and other financial institutions into closing or denying business accounts of clients that the FDIC classified in their view as “high risk” for the financial institution. The FDIC included federally licensed firearm retailers and other companies in the firearm and ammunition industry – some of the most heavily regulated businesses in the country - on this list of risky businesses without any evidence or justification. Due to this deliberate action, some banks ended relationships with legal and legitimate companies based on social and political views. This pattern of regulatory financial discrimination has now led to discrimination against the firearm and ammunition industry by private sector service providers.

MERCHANT CATEGORY CODES

In September 2022, the International Organization for Standardization (ISO) created a Merchant Category Code (MCC) specific to firearm industry retailers. The move, pushed by Amalgamated bank for years, was approved and set in motion. While the MCC gives no visibility to what a person

purchases, it has been celebrated by the anti-gun community as a “win” because it is an initial step towards government bureaucrats monitoring and approving the purchase of firearms and ammunition at federally licensed firearms retailers.

Leading credit card companies were caught in the middle as the new code became highly politicized. Several states have since enacted legislation banning the use of the MCC. While Visa, MasterCard, American Express, and Discover have all announced they would pause the implementation of the new MCC to track transactions for firearm and ammunition sales, California, Colorado and New York have enacted legislation mandating the use of the MCC, and other states have efforts underway to follow their lead. Federal legislation is needed to address the patchwork of state laws.

The Protecting Privacy in Purchases Act (H.R.1181¹ & S.1715²), introduced by Congressman Riley Moore (R-WV) and Senator Bill Hagerty (R-TN), would prohibit

- The Protecting Privacy in Purchases Act (H.R.1181 & S.1715) would prohibit requiring the use of or assigning a Merchant Category Code, specific to a firearm retailer. The measure would protect the privacy of law-abiding citizens, whose personal information has already been exploited by the federal government.
- The Fair Access to Banking Act (S.401 / H.R.987) would work to end the discriminatory lending practices of major banking institutions that seek to circumvent the legislative process and set social policy from the boardroom.
- The FIND Act (S.137 / H.R.45) would prohibit the federal government from entering into contracts with an entity that discriminates against businesses that deal in firearms, ammunition, or related products.

requiring the use of or assigning a Merchant Category Code, specific to a firearm retailer. The measure would protect the privacy of law-abiding citizens, whose personal information has already been exploited by the federal government. No American should be concerned that the federal government is employing this scheme, concocted by gun control advocates, that weaponizes an individual's finances and their free exercise of Second Amendment rights to wrongly identify them as a criminal-in-waiting.

FAIR ACCESS TO BANKING

Firearm and ammunition manufacturers, distributors, and retailers are devoted to promoting safe and legal use of their products, yet they continually face discrimination by sectors of the financial services industry. The Fair Access to Banking Act (S.401³/ H.R.987⁴), introduced by Sen. Kevin Cramer (R-ND) and Rep. Andy Barr (R-KY) seeks to correct this punitive and undeserved

treatment. The bill would ensure that banking and credit decisions by financial institutions are based on individualized credit worthiness and impartial risk-based standards. It would also prevent major financial institutions from accessing taxpayer-subsidized government programs, including access to the Federal Reserve Discount Window Lending Programs, Federal Deposit Insurance Company and Automated Clearing House Network, when they are at the same time denying banking services to federally lawful businesses, including those in the firearm and ammunition industry.

The firearm industry respects the free market. Financial services institutions should be able to work with whomever they wish; however, lawful and compliant businesses, especially those part of a Constitutionally-protected industry, should have access to essential financial services. Furthermore, large, multinational banks that were bailed out by the U.S. taxpayer, and currently enjoy taxpayer-funded

benefits should not be using those resources to advance their social agenda and in doing so, infringe on taxpayers' Constitutional rights. The Fair Access to Banking Act would work to end the discriminatory lending practices of major banking institutions that seek to circumvent the legislative process and set social policy from the boardroom and ensure that federally lawful businesses have access to the services needed to run their business.

FIREARM INDUSTRY NONDISCRIMINATION ACT

Like the Fair Access to Banking Act, the Firearm Industry Nondiscrimination (FIND) Act would help put an end to “woke” corporations profiting from taxpayer-funded benefits; however, the FIND Act is specific to the firearm industry, rather than all industries lawful under federal law, and would apply to all federal contractors, rather than limiting it to the major players in the financial sector. Introduced by Sen.

Steve Daines (R-MT) and Rep. Jack Bergman (R-MI), the FIND Act (S.137⁵ / H.R.45⁶) would prohibit the federal government from entering into contracts with an entity that uses its financial might to discriminate against businesses that deal in firearms, ammunition, or related products and deny them essential services. Additionally, the Act would require federal contractors to certify that they do not currently have, nor will they adopt a policy that discriminates against the industry during the term of the contract.

The FIND Act does not tell companies who to do business with, allowing them to engage in “boardroom gun control” at their will. If they do, however, the bill makes it to where they forfeit the ability to engage in federal contracts due to their discriminatory practices. Law-abiding Americans should not have their taxes being used against them by infringing on their Second Amendment right to keep and bear arms.

¹ H.R.1181 - 119th Congress (2025-2026): Protecting Privacy in Purchases Act, H.R.1181, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/house-bill/1181>.

² S.1715 - 119th Congress (2025-2026): A bill to prohibit payment card networks and covered entities from requiring the use of or assigning merchant category codes that distinguish a firearms retailer from a general merchandise

retailer or sporting goods retailer, and for other purposes, S.1715, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/senate-bill/1715>.

³ S.401 - 119th Congress (2025-2026): Fair Access to Banking Act, S.401, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/senate-bill/401>.

⁴ H.R.987 - 119th Congress (2025-2026): Fair

Access to Banking Act, H.R.987, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/house-bill/987>.

⁵ S.137 - 119th Congress (2025-2026): FIND Act, S.137, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/senate-bill/137>.

⁶ H.R.45 - 119th Congress (2025-2026): FIND Act, H.R.45, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/house-bill/45>.



NSSF
The Firearm Industry
Trade Association