

FINANCIAL DISCRIMINATION

BACKGROUND

Operation Chokepoint led by the Federal Deposit Insurance Corporation (FDIC) and Department of Justice (DOJ) under the Obama Administration sought to stop financial institutions from offering services to a number of regulated 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 has classified as “high risk” or as a “reputational 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 have ended relationships with legal and legitimate companies solely based on social and political views. While the FDIC had indicated it will take steps to end this indiscriminate targeting of the firearm industry, and the Justice Department has admitted the initiative was inappropriate and claims it has been terminated, there is no evidence that the resulting pattern of financial discrimination has ended.

FAIR ACCESS TO BANKING

Firearm and ammunition manufacturers, distributors, and retailers are devoted to promoting safe and legal use of their products. Financial discrimination against these highly regulated and lawful businesses has unfortunately

become commonplace by sects of the financial services industry. The Fair Access to Banking Act (S.401)¹, introduced by Sen. 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, as well as prevent major financial institutions from accessing taxpayer-subsidized government programs, when they are at the same time denying banking services to legal businesses under federal law, including those in the firearm and ammunition industry. 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. Legal businesses that support fundamental rights need to be supported by fair access to banking and other financial services.

- The Fair Access to Banking Act (S.401) 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 and H.R.45) prohibits the federal government from entering into contracts with an entity that discriminates against firearm trade associations or businesses that deal in firearms, ammunition, or related products.
- There are thousands of merchant category codes, and they have never been politicized until now with Amalgamated Bank’s push to violate law-abiding American’s privacy, creating an “initial step” towards backdoor gun control.

FIREARM INDUSTRY NONDISCRIMINATION ACT (FIND ACT)

Like the Fair Access to Banking Act, the Firearm Industry Nondiscrimination (FIND) Actⁱⁱ would help put an end to “woke” corporations profiting from taxpayer-funded benefits while denying those same taxpayers access to their Second Amendment rights by using their financial might to deny essential services to members of the firearm industry. Introduced by Sen. Steve Daines (R-MT) and Rep. Jack Bergman (R-MI), the FIND Act (S.137² and H.R.45³), would prohibit the federal government from entering into contracts with an entity that discriminates against firearm trade associations or businesses that deal in firearms, ammunition, or related products. The Act would additionally require federal contractors to certify that they have no policy and that they will not 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.

MERCHANT CATEGORY CODES

Last year, the International Organization for Standardization (ISO) created a merchant category code (MCCs) specific to retail firearm industry businesses. The move, pushed by Amalgamated bank, was approved and set in motion after years of effort. The anti-gun

lobby celebrated this move that was marketed as a way to track suspicious purchases using credit cards, but in reality, the code would give no visibility as to what a person purchased. The creation of the code, however, is an “initial step” towards backdoor gun control, including illegal gun registries. Leading credit card companies were caught in the middle as the new codes became highly politicized and initially said they’d implement the code; however have since taken a 180-degree turn, with American Express, VISA, Mastercard and Discover all announcing they were “pausing” implementation of the MCC. While

we are encouraged by this latest turnaround, a “pause” doesn’t necessarily mean the code has been scrapped for good.

Efforts are underway on the Hill right now to put an end to the MCC and to ensure that FFLs are not unfairly targeted and lawful sales are not impeded. There are thousands of merchant category codes and they have never been politicized until now with Amalgamated Bank’s push to violate law abiding American’s privacy. The firearm and ammunition industry is being singled out for unwarranted scrutiny by banks and federal regulators, once again.



¹ S.401 - 119th Congress (2025-2026): A bill to amend the Federal Reserve Act to prohibit certain financial service providers who deny fair access to financial services from using taxpayer funded discount window lending programs, and for other purposes, S.401, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/senate-bill/401>.

² S.137 - 119th Congress (2025-2026): A bill to amend title 41, United States Code, to prohibit the Federal Government from entering into contracts with an entity that discriminates against firearm or ammunition industries, and for other purposes, S.137, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/senate-bill/137>.^{¶¶} Firearm Nondiscrimination Act, H.R.53, 2023 <https://www.congress.gov/bill/118th-congress/house-bill/53?q=%7B%22search%22%3A%22hr53%22%7D&s=2&r=1>

³ 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>.

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**The Firearm Industry
Trade Association**