

# **FAMILY ISSUES FACT SHEET**

No. 2024-02 (January 2024)

## **SB 1167 SOCIAL CREDIT; DISCRIMINATION; FINANCIAL SERVICES**

### **EXECUTIVE SUMMARY**

Large banks and financial institutions have increasingly discriminated against disfavored individuals and groups based on ideological and religious viewpoints. Even unquestionably mainstream organizations have been “cancelled” or “debanked” with little or no explanation from these institutions. SB 1167 requires accountability and transparency for big banks who choose to pick winners and losers among their customers based on protected speech and views.

### **BACKGROUND**

SB 1167 protects individual and organizational financial services customers by safeguarding against the use of “social credit”-type criteria to deny banking services and requiring transparency should the bank cancel a customer. The bill prohibits large banks and payment processors from discriminating against customers based on religious or political expression and views, and other related reasons big banks have unjustly used to “debank” their customers. It also increases transparency by giving customers a right to an explanation from the financial institution if their service is denied, restricted, or terminated.

The National Committee for Religious Freedom (NCRF) was founded by former U.S. Ambassador, Kansas Governor, and U.S. Senator Sam Brownback to defend “religious freedom equally for *all* Americans and *all* their religious communities.” NCRF, an interfaith non-profit, opened an account with JPMorgan Chase, but the bank closed the account within weeks and without explanation.<sup>1</sup> When NCRF pressed Chase, the bank offered multiple contradictory excuses over the course of a year. Eventually, under pressure, Chase did say the bank would consider re-opening the account, but only if NCRF agreed to a set of onerous and dubious conditions, including a demand to produce “a donor list, a list of political candidates we intended to support, and a full explanation of the criteria by which we would endorse and support those candidates.”<sup>2</sup>

In another case of unjust cancellation of service, Indigenous Advance Ministries, a Tennessee-based humanitarian organization serving the poor in Uganda, was abruptly debanked by Bank of America after holding an account since 2015. The vague explanation was that “we have determined you're operating in a business type we have chosen not to service.”<sup>3</sup>

These are just two among many examples of large financial institutions wielding their substantial power to punish groups and individuals for their deeply held convictions, the growing problem SB 1167 seeks to address.

## WHAT THE BILL DOES

1. Prohibits big banks and payment processors from discriminating against customers based on religious or political beliefs.
2. Requires big banks to provide a timely and detailed response if a customer requests an explanation of the denial of financial services.
3. Creates a legal remedy for the victim and allows the attorney general to investigate and enforce the statute.
4. Doesn't interfere with a financial institution's ability to deny services based on legitimate, nondiscriminatory reasons.

## TALKING POINTS

1. **Big banks shouldn't be permitted to discriminate against customers based on religious or political beliefs.** Groups and individuals who have been unjustly denied financial services need a legal avenue to hold big banks accountable for discrimination.
2. **Banking and other financial services are necessities that cannot be conditioned upon a customer adopting a large corporation's beliefs.** Every Arizonan has the right to participate in the marketplace free from unjust discrimination.
3. **Customers have a right to know why they are being denied financial services.** Big banks must be transparent and accountable if they choose to cancel a customer's account.

## CONCLUSION

SB 1167 protects Arizonans of every religious, political, and ideological persuasion from discrimination in banking, payment processing, and other financial services. Big banks should not deny access to essential services based on a customer's protected beliefs and expression.

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<sup>1</sup> Brown, J. (2022, October 13). Chase Bank Allegedly Shatters Bank Account of Religious Freedom Nonprofit, Demands Donor List, *Fox Business*. <https://www.foxbusiness.com/politics/chasebank-allegedly-shatters-bank-account-religious-freedom-nonprofit-demands-donor-list>.

<sup>2</sup> Brownback, S. (2022, October 6) Are big banks chasing away religious organizations?, *Washington Examiner*. <https://www.washingtonexaminer.com/opinion/2598108/are-big-banks-chasing-away-religious-organizations/>.

<sup>3</sup> Kelly, H. (2023, August 25). 'Debanking' row breaks out after Bank of America shuts down account for ultra-conservative Christian charity that serves impoverished Ugandans, *Daily Mail*. <https://www.dailymail.co.uk/yourmoney/banking/article-12417653/Debanking-row-breaks-Bank-America-shuts-account-ultra-conservative-Christian-charity-serves-impoverished-Ugandans.html>.