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President & CEO

July 21, 2026

The Honorable John Thune
Majority Leader
United States Senate

The Honorable Charles E. Schumer
Democratic Leader
United States Senate

Dear Majority Leader Thune and Democratic Leader Schumer,

On behalf of the United States Hispanic Chamber of Commerce (USHCC), which represents millions of Hispanic-owned businesses and advocates for the economic advancement of Hispanic entrepreneurs and communities across the United States, I write to express serious concerns regarding the current iteration of digital asset market structure legislation ("the CLARITY Act") and the potential harm for small business lending, community development, and economic opportunity in Hispanic communities.

Hispanic-owned businesses are among the fastest-growing segments of the American economy, yet they continue to face significant barriers in accessing affordable credit and capital. For many Hispanic entrepreneurs, particularly those operating in low- and moderate-income communities, community banks remain a critical source of financing for startups, working capital, commercial real estate, and business expansion. These institutions succeed because they maintain close relationships with borrowers and understand the unique needs of local communities.

The CLARITY Act risks weakening this ecosystem by spurring the migration of deposits from federally insured financial institutions into digital asset platforms and related entities that perform no comparable lending function. As consumers and businesses move funds into digital asset products, community banks may lose the stable deposits they rely upon to support local lending. Economic research has found that significant deposit migration into stablecoins and related digital asset products could materially reduce the availability of credit for small businesses and agricultural borrowers. Community banks currently support a substantial share of small business lending in America, making them particularly vulnerable to widespread deposit outflows.

The impact of reduced community bank lending would fall disproportionately on Hispanic entrepreneurs. Any reduction in the lending capacity of these institutions threatens to widen existing disparities in business formation, access to capital, wealth creation, and economic mobility.

Equally troubling is the absence of meaningful Community Reinvestment Act (CRA) obligations for many digital asset firms that stand to benefit from the framework established by the CLARITY Act. For decades, CRA has served as one of the nation's most effective tools for ensuring that federally supported financial institutions reinvest in the communities they serve. Through CRA, banks have provided trillions of dollars in financing for affordable housing, small businesses, community facilities, neighborhood revitalization, and economic development in low and moderate-income communities.

Hispanic communities have benefited significantly from these investments. CRA-supported lending and community development initiatives have helped expand homeownership, support minority entrepreneurs, finance community facilities, and improve financial inclusion across the country. Yet under the current CLARITY Act framework, digital asset companies could attract billions of dollars in consumer and business funds while facing no comparable obligation to reinvest in the communities from which those funds originate. With a shift in deposits from insured, CRA-regulated, institutions to digital asset issuers and exchanges not subject to the same CRA requirements, the result could be a significant reduction in capital flowing to historically underserved communities.

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This concern is not merely theoretical. Recent analyses indicate that community banks are already experiencing net deposit outflows associated with crypto-related activity. These trends raise legitimate questions about the long-term availability of credit in communities that depend heavily on local banking institutions. Hispanic-owned businesses, which are more likely to rely on relationship-based lending and community financial institutions, face heightened risk if these trends accelerate following enactment of the legislation.

Supporting technological advancement in financial services is important, and the USHCC supports responsible efforts to modernize financial markets and products. These developments, however, should not serve to undermine community investment, small business growth, or access to capital for underserved entrepreneurs. Unfortunately, the current provisions of the CLARITY Act would do just that. Congress should ensure that any digital asset regulatory framework includes safeguards against excessive deposit flight from community financial institutions and addresses the growing imbalance between entities benefiting from financial intermediation and those bearing community reinvestment responsibilities.

Accordingly, we urge the Senate to carefully consider revisions to the legislation which would:

- Rectify the risk of deposit migration from community banks and its impact on small business lending;
- Require digital asset firms benefiting from increased financial activity contribute to community development and financial inclusion efforts;
- Protect the capacity of community banks to serve minority-owned businesses and underserved communities; and
- Preserve the effectiveness of the Community Reinvestment Act as a cornerstone of equitable economic development by ensuring a consistent framework for application across different types of financial institutions.

The Hispanic business community has been a powerful engine of economic growth, job creation, and entrepreneurship in the United States. Congress should take care that any new regulatory framework strengthens—not weakens—the institutions and policies that have helped create pathways to opportunity for Hispanic entrepreneurs and families.

Thank you for your consideration of these concerns.

Sincerely,

Ramiro Cavazos

Ramiro A. Cavazos
President and CEO
United States Hispanic Chamber of Commerce