

# “Trump's Order on Debanking Has Put Banks in an Impossible Position,” *American Banker*

## Publications

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By: Laurel Loomis Rimon

Partner Laurel Loomis Rimon authored an article for *American Banker* arguing that current debanking reform efforts have overlooked a foundational tension: the Bank Secrecy Act of 1970 (BSA) compels banks to assess and act on customer risk whereas the Trump Administration's August 2025 executive order ignores this requirement. Banks are caught in a catch-22 in trying to meet BSA requirements and comply with the executive order.

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The BSA's anti-money-laundering framework has long incentivized banks to err on the side of exclusion, in the same way they are influenced to file “defensive” suspicious activity reports.

The Office of the Comptroller of the Currency's removal of “reputation risk” as a permissible factor, paired with its ongoing investigation of the nine largest supervised banks, leaves institutions caught between new administrative expectations and a well-entrenched regulatory regime that carries severe penalties — including potential executive incarceration — for compliance failures.

Laurel calls for clearer guidance distinguishing legitimate, BSA-based risk decisions from impermissible debanking, and suggests that safe harbors for good-faith determinations may be necessary before banks can be held to the new standard.

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