July 22, 2026

Brian Gardner
Chief Washington Policy Strategist
bgardner@stifel.com

WASHINGTON POLICY STRATEGY

Potomac Perspective

In addition to working on another reconciliation bill and a stopgap funding bill for the fall, Congress is working on a cryptocurrency bill (yes, still!) and a community bank deregulatory bill. Despite some positive headlines about both bills, there are reasons to be skeptical about their prospects. Also, data centers and their impact on energy costs are getting more attention in the House. We are uncertain if legislation will pass in 2026, but the issue will stick around.

- <u>CLARITY Act: Not as clear as it might appear</u> – Investors should read media reports of a "deal" on the CLARITY Act with a dose of skepticism. The agreement on ethics language that is being reported is an understanding among some Senate Republicans and President Trump. Democrats have apparently not seen the language of this deal and it is doubtful that they are on board with the bill.
  - In order to pass the Senate, at least eight, and probably more, Democratic votes will be needed. Some Democrats, like Sen. Gallego (D-AZ) might issue positive statements about the direction of talks, but we doubt that there is sufficient Democratic support to pass the bill.
  - Senate Majority Leader Thune (R-SD) might schedule a vote on the bill in the coming weeks but, currently, we think that would be an exercise of political messaging to the crypto industry – "Republicans support the industry; Democrats don't."
  - If we are wrong and the bill passes the Senate in the coming weeks, it would then have to be reconciled with the House's version which passed that body months ago.
- <u>Banking deregulation bill: Not the housing bill 2.0</u> – The House is scheduled to vote on HR 6955 which would tailor bank regulation by raising key regulatory thresholds, exempting smaller bank mergers (under $10 billion in assets) from antitrust review, and making some changes to the Consumer Financial Protection Bureau. This deregulatory effort, however, differs from the package of changes that were included in the recently enacted 21st Century ROAD to Housing bill. The bank provisions of the housing bill had broad bipartisan support. There are likely to be few Democratic votes for HR 6955. In short, the prospects for HR 6955 are weak, in our view. Similar to the CLARITY Act, investors should view headlines regarding the House's banking bill with skepticism.
- <u>Federal action on data centers</u> – The House Energy and Commerce Committee is marking up a series of bills including HR 9340, the "Ratepayer Protection Act." The bill is intended to shift the cost of upgrading the grid to large-load customers. The bill is similar to Pres. Trump's "Ratepayer Protection Pledge" but appears to have more teeth than the President's plan. HR 9340 has bipartisan support as lawmakers are feeling pressure from constituents regarding energy prices. Thus, Congress might feel compelled to act. It is late in the legislative year so the bill's prospects are muddled at best. The issue is one that will not go away so even if HR 9340 does not pass in 2026, it will likely resurface in the future.

STIFEL

Subscribe to Our Podcast!

Season 4 of the Potomac Perspective podcast is underway! To access a broader discussion of these and other topics, please download and listen to the latest episode of our Potomac Perspective podcast.