



## The Daily Dish

### PCCR Plus

DOUGLAS HOLTZ-EAKIN | FEBRUARY 26, 2026

Just the facts. *The Wall Street Journal* [reported](#):

*The Trump administration is weighing a possible executive order or other action that would require banks to collect citizenship information from customers, a new front in the administration's crackdown on immigrants living in the U.S. illegally, according to people familiar with the matter.*

*The action, which is primarily under review by the Treasury Department, could ultimately task banks with asking for an unprecedented new category of documents, such as a passports, from both new and existing customers who want to maintain a bank account in the U.S., the people said.*

Now, Eakinomics is all for policies with all costs and no benefits. The more the merrier! But this is waaaaay over the line. Think about it: "both new and existing customers." That's an enormous compliance burden. And to what end? It is hard to reconcile the Pointless Citizenship Compliance Rule (PCCR) with an administration that prides itself on a light regulatory touch.

Let's hope Treasury simply kills this idea in its infancy. But if somehow that is not the case, remember that there is already concern over the regulatory burden on small and large banks. For decades, Republican policymakers have argued that financial institutions are already saddled with expansive Bank Secrecy Act and anti-money laundering requirements that demand significant investments in staff, technology, and legal review. Layering a new federal mandate to determine and document citizenship status would not only increase operational costs but also expand legal risk and reporting complexity. At a time when community and regional banks are struggling to compete with larger institutions, such a requirement would function as yet another unfunded compliance mandate - precisely the

kind of red tape Republicans have historically sought to unwind.

So, if the administration is serious about reducing compliance burdens on banks, it should pair the PCCR with meaningful legislative reform of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Congress could revisit thresholds that trigger enhanced prudential standards, further tailor stress-testing requirements for mid-sized institutions, and rationalize overlapping reporting mandates that have proliferated across prudential regulators. Simplifying the Volcker Rule's compliance framework, modernizing capital rules to better reflect actual risk profiles, and expanding safe harbors for well-capitalized community banks would all reduce unnecessary complexity without compromising financial stability.

Who knows what misguided whim birthed the PCCR. But a thoughtful marriage - let's call it PCRR Plus - with targeted reforms would preserve safety and soundness while curbing regulatory excess that constrains credit availability and economic growth.