



## The Daily Dish

# Please Just Stand There

DOUGLAS HOLTZ-EAKIN | MAY 21, 2026

The Trump Administration backed off its proposed Pointless Citizenship Compliance Rule (PCCR) that would require banks to verify the citizenship of all customers. AAF's Dan Goldbeck had [estimated](#) that merely verifying all *new* accounts could result in anywhere from 33.1-73.3 million additional paperwork hours and \$2.6-\$5.6 billion in additional costs.

The good news is that the administration backed off putting the banks in the immigration-policing business in an enormously expensive fashion. The bad news is that it is putting the banks in the immigration-policing business in a ludicrous but perhaps less expensive fashion.

The tipoff starts with the title of the president's most recent executive order (EO): [RESTORING INTEGRITY TO AMERICA'S FINANCIAL SYSTEM](#). Oh really? The notion of Mr. Trump restoring integrity to anything involving finances is laughable on its face. And the EO contains some whoppers:

*Banks and other financial institutions should also be attentive to the credit risks posed by the extension of mortgage and auto loans, credit cards, and other consumer credit to the inadmissible and removable alien population.*

Really? Banks are attentive to credit risks posed by anybody and anything. Period.

*Many of those borrowers face the possibility of the loss of wages due to removal or their employers' decisions to comply with immigration law. Lending to aliens without legal work authorization or who face a substantial loss-of-wage risk creates a structural "ability to repay" deficiency that undermines the safety and soundness of the national banking system [emphasis added].*

Get real.

What does the EO actually do? Among many provisions, the key ones are:

- “Within 60 days of the date of this order, the Secretary of the Treasury shall issue a formal Advisory to financial institutions regarding the risks associated with the exploitation of the United States financial system by non-work authorized populations and their employers.” (The EO lists six specific “risks.”)
- “Within 90 days of the date of this order, the Secretary of the Treasury shall, in consultation with the appropriate Federal functional financial regulators, propose changes to applicable implementing regulations of the Bank Secrecy Act to strengthen risk-based customer due diligence requirements for covered financial institutions.” (The banks don’t have to verify citizenship, but they will have to collect and verify identification information.)
- “Within 60 days of the date of this order, the Consumer Financial Protection Bureau shall consider clarifying that potential deportation and loss of wages are factors that could adversely affect a non-work authorized borrower’s ability to repay an extension of credit under the ‘ability-to-repay’ standards in 12 CFR Part 1026 and its appendices and supplements, and that lenders may consider such factors as part of a reasonable and good-faith underwriting determination.”

All of this raises the fundamental question: Why are the banks being asked to do immigration policy? Why isn’t the solution to fix the border, visa, and other policies that generate these supposedly large risks to the financial system?

It’s just action for the sake of action. When it has nothing good to do, the administration should ignore the old admonition: Don’t just stand there, do something! Give the private sector a break. Please just stand there.