Regulatory Dispatch

Timely news and resources community bankers can use to better stay on top of a rapidly changing world.

October 28, 2026

CISA ALERT Critical Vulnerabilities in PHP Require Immediate Patching

CISA strongly urges organizations to immediately patch the recently disclosed critical vulnerabilities in PHP, CVE-2026-109618 and CVE-2026-109619. These vulnerabilities, known as "php2shell," allow for unauthenticated remote code execution in PHP and affect all PHP installations serving web requests. Organizations should immediately update to PHP 8.5.12, 8.4.27, 8.3.36, or 8.2.35 to fix these vulnerabilities. While CISA has not observed exploitation of these vulnerabilities as of the time of publication, they pose a risk to organizations if left unpatched.

CISA urges organizations to take the following actions:

- Identify and inventory systems running any version of PHP across your organization.
  - PHP is often a component of other software and prevalence may not be directly observable.
- Apply the patch immediately, prioritizing internet-facing systems.
- Organizations that cannot update immediately, or that continue to use PHP 8.1 or earlier unsupported versions, should take PHP-based systems offline until they can be patched or updated.
- A web application firewall may provide some protection until systems are updated or patched.
- Review the official PHP security advisory for guidance on patching.
- Monitor for suspicious activity, including PHP worker processes launching shells or downloading tools.

CISA urges network defenders to review the following advisory and apply necessary updates:

- Security Advisory: Critical Remote Code Execution Vulnerabilities, Update Now

Comment: The Independent Community Bankers of America (ICBA) and CISA have issued urgent guidance for all banks. Because this flaw allows unauthenticated remote code execution (RCE), an attacker can compromise a bank-branded web server to host phishing pages, deface the site, or leverage it for lateral movement into connected corporate networks.

Bank Management

	OCC GENIUS Act: Revised Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency (10/21/2026) – The Office of the Comptroller of the Currency (OCC) is finalizing a new information collection that would include weekly and quarterly reporting forms that must be completed by permitted payment stablecoin issuers and foreign payment stablecoin issuers registered with the OCC under the Guiding and Establishing National

Innovation for U.S. Stablecoins (GENIUS) Act. These reporting forms were first proposed in June 2026.[1] With this issuance, the OCC is publishing a revised set of the weekly and quarterly reporting forms for public comment. Comments are requested on these forms within 30 days of publication of the information collection in the *Federal Register*.

Note for Community Banks
This information collection would apply to permitted payment stablecoin issuers and foreign payment stablecoin issuers for whom the OCC has regulatory authority pursuant to the GENIUS Act.

Highlights

- On October 21, 2026, the OCC issued a final rule implementing the requirements of the GENIUS Act with respect to the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction (the final rule).
- In response to comments received on the June 2026 proposal, and to conform to changes adopted in the final rule, the OCC made revisions to the proposed reporting forms.
- The revised reporting forms would
    - help ensure compliance with the final rule.
    - facilitate OCC supervision of permitted payment stablecoin issuers and foreign payment stablecoin issuers.
    - promote transparency with respect to the financial condition of permitted payment stablecoin issuers and foreign payment stablecoin issuers.
- Subject to approval by the U.S. Office of Management and Budget, this information collection would take effect as of the January 25, 2027, report date for the weekly reporting form, and the March 31, 2027, report date for the quarterly reporting form.

Further Information
Please contact Shaquita Merritt, Clearance Officer, at (202) 649-5490, Ashley Rangel, Deputy Chief Accountant, at (202) 649-5648 or Christopher Sadej, Market Risk Specialist, at (202) 649-6422.

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Related Links

- Agency Information Collection Activities: Proposed Information Collection; Submission for OMB Review; Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency (PDF)
- Instructions for OCC Reporting Form PS-01, Payment Stablecoin Activity and Reserve Weekly Reporting (PDF)
- OCC Reporting Form PS-01: Payment Stablecoin Activity and Reserve Weekly Reporting (MS Excel)
- Instructions for OCC Reporting Form PS-02, Permitted Payment Stablecoin Issuer and Foreign Payment Stablecoin Issuer Reports of Condition and Income (PDF)
- OCC Reporting Form PS-02: Permitted Payment Stablecoin Issuer and Foreign Payment Stablecoin Issuer Reports of Condition and Income (MS Excel)
- 91 Fed. Reg. 35795, dated June 12, 2026

Comment: Any community bank engaging in payment stablecoin activities must adapt its core risk frameworks to support the new reporting structure ahead of the January 18, 2027 activation date.

OCC GENIUS Act: Waivers and Application Submission Guidance (10/21/2026) – The Office of the Comptroller of the Currency is issuing this bulletin to clarify the process for filing applications and requesting waivers under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).

Note for Community Banks
The bulletin applies to national banks and their subsidiaries, federal savings associations and their subsidiaries, federal branches and their subsidiaries, foreign payment stablecoin issuers, nonbank entities that seek to be or are approved as federal qualified payment stablecoin issuers, and state qualified payment stablecoin issuers for whom the OCC has regulatory or enforcement authority pursuant to the GENIUS Act.

Highlights

- Payment stablecoin issuers in the United States must comply with the GENIUS Act beginning January 18, 2027, with noncompliance carrying criminal penalties.
- The OCC understands that current stablecoin issuers operating in the United States are likely to request a waiver from certain requirements of the GENIUS Act.
- Any stablecoin issuer with a pending substantially complete application with the OCC on or before January 18, 2027, may request a waiver from the OCC for requirements of the act or final rule.
- The OCC will begin accepting applications upon receiving final approval from the Office of Management and Budget (OMB) of the information collection related to the application forms. The OCC will announce when it begins accepting applications and waiver requests in a press release.
- Once the OCC begins accepting applications, potential applicants and other interested persons will be able to find additional information related to the application and submission requirements, licensing process, GENIUS Act final rule, and other pertinent information at the OCC's GENIUS Act landing page.

OCC GENIUS Act Regulations: Final Rule (10/21/2026) – The Office of the Comptroller of the Currency (OCC) is issuing a final rule to implement the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC's jurisdiction. The final rule will be effective on January 18, 2027.

Note for Community Banks
The final rule will apply to national banks and their subsidiaries, federal savings associations and their subsidiaries, federal branches and their subsidiaries, foreign payment stablecoin issuers, nonbank entities that seek to be or are approved as federal qualified payment stablecoin issuers, and state qualified payment stablecoin issuers for whom the OCC has regulatory or enforcement authority pursuant to the GENIUS Act.

Highlights

- The final rule addresses all of the regulations the OCC is required to promulgate under the GENIUS Act other than those related to the Bank Secrecy Act, anti-money laundering, and Office of Foreign Assets Control sanctions, which will be addressed in a separate rulemaking in coordination with the Department of the Treasury.
- The final rule incorporates or addresses the comments the OCC received following the notice of proposed rulemaking.[1]

	▪ The majority of the GENIUS Act OCC rules are addressed in a new 12 CFR 15, which includes standards and requirements related to the following: o Activities o Reserve assets o Redemption o Risk management o Audits, reports, and supervision o State qualified payment stablecoin issuers transitioning to the federal regulatory framework o Custody o Applications and registrations for permitted payment stablecoin issuers subject to OCC jurisdiction o Examination and supervision of foreign issuers o Revocation or recission of approval of a permitted payment stablecoin issuer in certain instances o Capital and operational backstop ▪ The final rule also revises the capital adequacy standards in 12 CFR 3, prompt corrective action regulations in 12 CFR 6, assessment of fees in 12 CFR 8, and rules of practice and procedure in 12 CFR 19. ***Comment: For community banks, the finalization of OCC Bulletin 2026-51 and the broader GENIUS Act implementation marks a significant operational turning point. Instead of a one-size-fits-all approach, the framework is intentionally tailored to reflect community banks' unique business models, institutional size, and risk profiles.***
	CSBS State Stablecoin Issuers Need Certainty from Treasury (10/20/2026) – The GENIUS Act preserved a state pathway because it recognized the role that state regulation has played in fostering flexibility and resilience in stablecoin markets for the last decade. Just like with the dual banking system, Congress created parity between federal and state regulatory options to allow greater choice for payment stablecoin issuers and more space for innovation. But a recent proposal by the U.S. Department of the Treasury would threaten this balance. Treasury's proposal would offer federally approved issuers a safe harbor as they navigate delays as the GENIUS Act requirements come into effect, without a corresponding protection for state approved issuers. Unless Treasury provides that corresponding protection for state approved issuers, the vibrant stablecoin ecosystem that grew pre-GENIUS Act risks collapsing into a federal monoculture. Existing issuers of payment stablecoins face operational challenges and uncertainty immediately following the GENIUS Act effective date (Jan. 18, 2027). Payment stablecoins do not comply with the GENIUS Act until their issuer has been approved by a federal or state regulator. Issuers may not be able to even apply for federal agency approval until Jan. 18, 2027, and the federal agencies can take weeks to approve an application. Stablecoin markets could grind to a halt if existing pre-GENIUS issuers who want a federal approval must stop issuing stablecoins while they wait.

	Treasury is offering a safe harbor allowing federal applicants to operate while their application is pending. This safe harbor allows issuers seeking federal approval to keep their business running while they wait. *Follow the link above to keep reading*. ***Comment: The regulatory showdown over the GENIUS Act and the lack of state stablecoin safe harbors is a critical issue. According to the 2026 CSBS Annual Survey of Community Banks, nearly 60% of community bankers view stablecoins as a direct threat to core deposit growth and lending capacity amid unequal regulatory rollout***

Deposit / Retail Operations

	CSBS State Financial Regulators Reach $2.5 Million Settlement with Crypto Kiosk Operator (10/08/2026) – Washington, D.C. – Thirty-four state financial regulatory agencies have reached a $2.5 million settlement with Coinme Inc., (NMLS ID 1185542) a Seattle-based cryptocurrency money transmitter and kiosk operator, for violations of Bank Secrecy Act (BSA) and anti-money laundering (AML) laws that safeguard the financial system from illicit use. Under the terms of the settlement, Coinme has agreed to terminate its virtual currency kiosk operations by Jan. 1, 2027, or face an additional $4 million penalty. In addition, Coinme has agreed to hire an independent consultant to review the comprehensiveness and effectiveness of its BSA/AML program and submit a report to the states within six months. Coinme will have 12 months to correct any deficiencies found in the review after the report is filed. Alaska, Arkansas, Georgia, Illinois, North Carolina, Ohio, and Washington led the enforcement effort. To protect consumers and enforce safety and soundness requirements, state regulators regularly coordinate supervision of multistate firms and, when necessary, initiate enforcement actions. This networked coordination supports consistency and collaboration, while preserving the authority of individual states to take direct action.

Lending

	Treasury The Trump Administration is Making Homeownership More Affordable (10/23/2026) – WASHINGTON — The U.S. Department of the Treasury issued proposed regulations to make homeownership more affordable for hardworking Americans. The proposed regulations implement Section 1001 of the 21st Century ROAD to Housing Act (ROAD to Housing Act), which restricts large institutional investors from purchasing single-family homes, codifying key requirements of President Trump's Executive Order 14376, Stopping Wall Street from Competing with Main Street Homebuyers. "Under President Trump, this Administration continues to restore the path to affordable homeownership for millions of young and working families," said Treasury Secretary Scott Bessent. "Treasury is working to ensure American families and workers have a fair shot at purchasing homes in their communities by increasing housing supply and limiting large

institutional investors' role in the market, while supporting a strong, stable housing market and avoiding unnecessary disruption."

RESTORING THE AMERICAN DREAM OF HOMEOWNERSHIP
Beginning on January 7, 2027, a large institutional investor generally may not purchase, or enter into a contract to purchase, a single-family home unless the purchase qualifies as an "excepted purchase" under the ROAD to Housing Act. The ROAD to Housing Act defines a large institutional investor by reference to, among other things, whether an entity is engaged in the business of investing in, owning, renting, managing, or holding single-family homes and has direct or indirect investment control over at least 350 such homes.

The ROAD to Housing Act permits several categories of excepted purchases, including purchases made pursuant to build-to-rent programs, renovate-to-rent programs, homeownership programs, and programs to boost homeownership.

Today's NPRM sets forth Treasury's proposed framework to:

- Establish standards for purchases made pursuant to build-to-rent programs that promote continued investment in new housing;
- Provide a safe harbor for purchases made pursuant to renovate-to-rent programs that bring neglected homes back into the housing supply and up to code;
- Clarify the requirements for homeownership programs and programs to boost homeownership, including providing safe harbors for large institutional investors that provide meaningful financial support towards their renters' purchase of a home;
- Clarify that an entity is engaged "in the business of" investing in, owning, renting, managing, or holding single-family homes when it does so for the purpose of receiving income or financial gain, and not incidentally to a different business;
- Define when an entity may qualify as a passive investor in another entity that owns a home because it does not share directors or officers with the other entity and does not have a property control right over the underlying homes;
- Clarify certain purchases involving debts previously contracted, loss mitigation, and transfers between large institutional investors that protect the liquidity of the housing market; and
- Clarify the calculation of the maximum civil penalty where a single prohibited purchase involves more than one large institutional investor.

The proposed rule would provide non-exclusive safe harbors for several statutory requirements. These include standards for determining whether a home has been substantially rehabilitated under a renovate-to-rent program, whether a renter has received meaningful financial support under certain homeownership programs, and whether a renter has received a right of first refusal and 30-day first-look period.

Treasury's proposed approach recognizes that housing-market participants use a variety of ownership, investment, construction, servicing, and property-management structures and seeks to provide clarity without unnecessary disruption to housing supply, homebuilding, rehabilitation activity, or capital formation.

Members of the public should submit comments in response to the NPRM within 30 days after publication in the Federal Register. The proposed regulations are available here.

Technology / Security

CISA FBI and Partners Release Joint Cybersecurity Advisory on SafePay Ransomware (10/20/2026) – The Cybersecurity and Infrastructure Security Agency (CISA), the Federal Bureau of Investigation (FBI), the U.S. Secret Service (USSS), and international partners released a joint Cybersecurity Advisory, #StopRansomware: SafePay Ransomware detailing SafePay ransomware activity, including known tactics, techniques and procedures (TTPs), indicators of compromise (IOCs), incident response actions and mitigations to help organizations reduce the likelihood and impact of an incident.

SafePay is one of the most active ransomware groups and have affected businesses and critical infrastructure in North America, South America, Europe, and Australia—including at least 600 organizations from multiple critical infrastructure sectors since August 2024. SafePay threat actors gain initial access through a variety of means, including credential exposure, brute force password attacks, and exploiting virtual private network (VPN) access—particularly the IP addresses of VPN provider "Mullvad". They also use phished account profiles to infiltrate networks and exploit common vulnerabilities and exposures (CVEs) for edge devices and other internet-exposed systems through automated scripts. SafePay actors may disrupt recovery operations by deleting shadow copies and resetting network-attached storage devices containing backups. Their double-extortion model includes data theft, encryption, threats to publish stolen data and, in some cases, direct phone contact with victims.

Implement mitigations aligned to Cybersecurity Performance Goals 2.0, including these key actions:

- **Regularly patch and update systems**, especially VPNs, firewalls and other edge devices prioritizing and quickly remediating known exploited vulnerabilities (KEV) as they are identified.
- **Implement identity, credential and access management (ICAM) policies and multifactor authentication (MFA)** to strengthen account security.
- **Restrict administrative tools and privileges** to necessary users only.

Read the full advisory and learn how to detect SafePay activity and protect your organization from compromise. For more information on securing internet-facing and other edge devices, visit CISA's Edge Device Security page.

Comment: For community banks, the joint CISA/FBI advisory on SafePay ransomware represents an immediate operational risk. Community banks are heavily targeted by this group because they fall under critical infrastructure, rely on common vendor software, and often manage smaller, lean internal IT teams.

Open for Comment

Included only when specific to or relevant for community banks to comment on. Date posted may not be the same as the Federal Register Date.

09.24.2026 **FRB** Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins SUMMARY: The Board of Governors of the Federal Reserve System (Board) proposes to issue regulations that would establish procedures to be followed by an insured State member bank that seeks to obtain Board approval for a subsidiary to issue payment stablecoins pursuant to the Guiding and Establishing National Innovation for

U.S. Stablecoins Act (GENIUS Act). **DATES: Comments must be received by the Board on or before November 16, 2026.**

09.11.2026 **Joint** Proposed Third-Party Risk Management Guidance SUMMARY: The OCC, Board, FDIC, and NCUA (collectively, the agencies) invite comments on this proposed third-party risk management guidance. The proposed guidance would reflect the agencies' supervisory experience and lessons learned through examining banking organizations' third-party risk management practices. In particular, the proposed guidance would discuss the potential benefits that may accrue when a banking organization aligns its third-party risk management practices in relation to the reasonably assessed risk levels specific to each of its third-party relationships. This approach may assist banking organizations in the prioritization of third-party risk management based on material financial risks, compliance with laws and regulations, and resource allocation. The proposed guidance also would help banking organizations consider potential strategies for tailoring their third-party risk management practices according to the banking organization's size, complexity, and risk profile, as well as the nature of its third-party relationships. The agencies plan to rescind and replace existing guidance on third-party risk management to promote consistency and innovation in the banking industry. **DATES: Comments must be received on or before November 16, 2026.**

07.31.2026 **FDIC** Extensions of Credit to Insiders SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is proposing to increase quantitative thresholds for certain extensions of credit to insiders of FDIC supervised institutions, as restricted by the Federal Reserve Act and regulations promulgated thereunder. Specifically, the proposal would increase the thresholds for certain (1) extensions of credit to executive officers not otherwise specifically authorized by statute from $100,000 to $400,000; and (2) extensions of credit to insiders requiring prior approval by the board of directors from $500,000 to $2,000,000. The proposal would also establish an indexing methodology to periodically update such thresholds over time. **DATES: Comments must be received on or before November 4, 2026. (Extended from October 5, 2026)**