



Community Bankers of Michigan Regulatory Dispatch

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Timely news and resources community bankers can use

Cryptocurrency and AI Scams Bilk Americans of Billions - FBI Releases 2025 Internet Crime Report

The FBI's 2025 Internet Crime Report shows cyber-enabled crimes defrauded Americans of nearly \$21 billion, with cryptocurrency and artificial intelligence-related complaints among the costliest.

The Internet Crime Complaint Center (IC3) received 1,008,597 total complaints, an increase from 859,532 in 2024. Phishing/spoofing, extortion, and investment schemes were the most frequently reported complaints. Americans over 60 reported approximately \$7.7 billion in losses, up 37% from 2024.

The IC3 received approximately 453,000 cyber-enabled fraud complaints, with reported losses exceeding \$17.7 billion. Investment fraud remains the primary driver, accounting for nearly 49% of all scam-related losses.

Americans who submitted complaints involving cryptocurrency reported the highest losses, with 181,565 complaints totaling more than \$11 billion. In 2024, the FBI launched Operation Level Up, a proactive initiative to identify and notify people who are currently falling victim to cryptocurrency investment fraud. Since its inception, the initiative has surpassed 8,000 total victims notified and reduced losses by more than \$500 million. In 2026, the FBI launched Operation Winter SHIELD, highlighting concrete steps organizations can take to bolster their digital security.

Costly tactics used by scammers also include compromised corporate e-mails, tech support fraud, and personal data breaches. For the first time in its nearly 25-year history, the IC3 report features a section on artificial intelligence, which accounts for 22,364 complaints, costing Americans nearly \$893 million. Scammers rely on pressure techniques to defraud Americans while deploying fake social profiles, voice clones, identification documents, and believable videos depicting public figures or loved ones.

The FBI urges everyone to "Take a Beat" to identify the red flags of a potential scam. Resist pressure to act quickly and assess the situation before turning over money or personal information.

IC3 receives nearly 3,000 complaints per day. If you believe you or someone you know may have been a victim of a fraud or scam, contact your local FBI office or submit a complaint at ic3.gov as soon as possible. You should document the name of the scammer/company, methods of contact, dates of contact, methods of payment, where funds have been sent, and a thorough description of the interactions.

Comment: For the first time, the FBI also highlighted the rapidly growing factor behind many of these schemes: artificial intelligence. In 2025, the agency received 22,364 complaints involving AI, totaling more than \$893 million in losses. The true number is likely higher, since victims may not realize AI was used.

Bank Management

	<p>Joint Agencies Issue Revised Model Risk Guidance (04/17/2026) – WASHINGTON – The Federal Deposit Insurance Corporation (FDIC), along with the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, issued revised model risk management guidance.</p> <p>The revised guidance clarifies that model risk management should be tailored commensurately to the size, complexity, and model risk profile of a banking organization. To support banking organizations’ model risk management practices, the revised guidance highlights sound principles for effective model risk management—in particular, by discussing the factors that influence model risk and the features of effective model development and model use; model validation and monitoring; and governance and controls. The revised guidance also discusses considerations specific to vendor and other third-party products, including validation of these products. The guidance does not set forth enforceable standards or prescriptive requirements, and non-compliance will not result in supervisory criticism.</p> <p>In connection with the release of this guidance, the FDIC is rescinding FIL-22-2017, Adoption of Supervisory Guidance on Model Risk Management, and FIL-27-2021, Bank Secrecy Act: Agencies Address Model Risk Management for Bank Models and Systems Supporting Bank Secrecy Act/Anti-Money Laundering and Office of Foreign Assets Control Compliance.</p> <p>ATTACHMENT:</p> <ul style="list-style-type: none">• Model Risk Management - Revised Guidance (PDF) <p>Comment: The updated guidance addresses the development, validation, implementation, and monitoring of models used in bank decision-making processes. Banks are expected to incorporate the revised standards into their model risk management frameworks.</p>
	<p>Joint Event: Ask the Regulators (04/15/2026) – Tuesday, May 5, 2026 2:00 p.m. ET</p> <p>Staff from the Federal Deposit Insurance Corporation (FDIC), Federal Reserve System, and Office of the Comptroller of the Currency (OCC) will conduct an Ask the Regulators event to discuss recent proposals that would modernize and revise bank capital requirements.</p> <p>During the session, the agencies will discuss the proposal to revise the standardized approach that sets the risk-based capital requirements for Category III and IV banking organizations and for banking organizations with total consolidated assets of less than \$100 billion. In addition, the agencies will briefly discuss a proposal to revise the risk-based capital requirements applicable to Category I and II banking organizations and to banking organizations with significant trading activity.</p> <p>For more information about the proposals, see:</p> <ul style="list-style-type: none">• Federal Reserve Board Proposal Information• Office of the Comptroller of the Currency Proposal Information• Federal Deposit Insurance Corporation Proposal Information• Fact Sheet on Regulatory Capital Framework NPRs <p>Comment: These proposed changes, while nuanced, are significant.</p>

FRB [Beige Book](#) (04/15/2026) – National Summary - Overall Economic Activity

Overall economic activity increased at a slight to modest pace in eight of the twelve Federal Reserve Districts, while two Districts reported little change and two Districts reported slight to modest declines. The conflict in the Middle East was cited as a major source of uncertainty that complicated decision-making around hiring, pricing, and capital investment, with many firms adopting a wait-and-see posture. Manufacturing activity rose slightly to moderately in most Districts. Banking sector activity was generally steady with loan demand stable to up moderately. On balance, consumer spending increased slightly despite harsh winter weather in some regions and higher fuel prices. Many Districts continued to report signs of consumer financial strain, increased price sensitivity, and rising demand at food banks and other social service organizations, while spending among higher-income consumers was resilient. Housing market activity softened across several Districts as heightened uncertainty and rising mortgage rates dampened buyer demand. Commercial real estate markets improved, with strength in industrial properties, especially data center projects. Office markets saw solid demand for Class A space but weaker demand for lower-tier properties. Energy activity was up slightly as oil prices rose, though many producers remained cautious about increasing drilling due to uncertainty about the persistence of higher prices. Agricultural activity was mixed, and several Districts reported that rising crop prices helped offset steep price increases of fertilizer and fuel. Business outlooks varied amid widespread uncertainty about future conditions.

Labor Markets

On balance, employment was steady to up slightly during this reporting period, though one District noted a slight decline. Most Districts described labor demand as stable, with low turnover, minimal layoffs, and hiring mostly for replacement. Several Districts noted increased demand for temporary or contract workers, as firms remained cautious about committing to permanent hires. Many Districts reported that labor availability had improved, although difficulty finding some skilled workers, especially in the skilled trades, persisted. While most Districts indicated that AI had not yet significantly impacted overall staffing levels, some noted that AI-driven productivity improvements had enabled many firms to delay or reduce hiring. Wages generally continued to rise at a modest to moderate pace. Some Districts noted continued wage pressures for some roles in health care and the skilled trades, though overall wage competition remained muted.

Prices

Price growth mostly remained moderate overall, with the vast majority of Districts reporting moderate increases and others pointing to modest growth. Generally, input cost increases outpaced selling price growth, compressing margins. Energy and fuel costs rose sharply in all Districts, attributed to the Middle East conflict, leading to higher freight and shipping costs and higher prices for plastics, fertilizers, and other petroleum-based products. Input cost pressures beyond energy-related increases were also widespread. Several Districts reported rising prices for metals due to tariffs, such as steel, copper, and aluminum. Technology costs rose for both hardware and software. Insurance premiums and health care costs continued to climb.

CSBS [Community Bankers Remain Positive about Their Future Despite Concerns](#) (004/07/2026) – Washington, D.C. – While community bankers remain optimistic about the future, their outlook on the impact of monetary policies and regulation is waning, according to the Conference of State Bank Supervisors' (CSBS) most recent quarterly poll.

The first quarter Community Banker Sentiment Index (CBSI) slipped one point to 131 from last quarter and two points from its record peak six months ago. The overall index remains well above the neutral level of 100 and continues to signal community banker optimism for the year ahead.

The profitability, operations expansion, and franchise value components all increased and remained strongly in positive territory. However, the monetary policy and regulatory burden indicators dropped sharply by 13 points and eight points, respectively.

“While bankers have greater uncertainty about national economic conditions, mainly due to potential impacts from the Iran war, they remain optimistic that their loan portfolios in their local economies will lead to higher profitability and franchise values,” said CSBS Chief Economist Tom Siems.

The CBSI surveys community bankers nationwide in the last month of each quarter to capture their thoughts on future economic conditions in seven areas. An index reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment.

A total of 254 community bankers from 42 states and the District of Columbia responded to the survey. Quarterly results are included in the Federal Reserve Economic Data, the online database maintained by the Federal Reserve Bank of St. Louis, known informally as the FRED.

Several community bankers voiced concerns on how the war in Iran might impact the U.S. economy, specifically inflation from higher oil prices, raised recession probabilities, and the possible impact of the Federal Reserve’s monetary policy decisions.

While community bankers still foresee a lighter regulatory environment in the coming year, their optimism has faded somewhat. The regulatory burden indicator, at 122, has remained at or above 100 for six straight quarters, following 15 consecutive quarters—from early 2021 to late 2024—when the indicator was consistently below 30 indicating a much heavier regulatory burden expected.

Community bankers expressed concern about regulatory matters, such as deposit flight resulting from the current stablecoin legislation and the risk of lax check fraud controls by the big banks due to rules that limit depositing banks’ liability.

The CBSI Uncertainty Index (the “I don’t know/unsure” responses for all seven components) returned to 31 this quarter, indicating more uncertainty than recorded in the previous quarter’s survey.

[Comment: In a related BLOG post entitled \[Uncertainty Is Up—So Why Are Community Bankers Still Optimistic?\]\(#\), CSBS Chief Economist Thomas F. Siems, Ph.D. elaborates on the concerns.](#)

BSA / AML

[FinCEN Releases Year in Review for Fiscal Year 2025](#) (04/16/2026) – FinCEN has released its Fiscal Year 2025 Year in Review, highlighting continued efforts to safeguard the U.S. financial system and combat illicit finance. In FY 2025, FinCEN advanced key U.S. Department of the Treasury and Administration priorities by combatting fraud, countering drug trafficking and cartels, disrupting terrorist financing, and modernizing the U.S. anti-money laundering and countering the financing of terrorism framework. Key accomplishments include approximately \$10 billion saved through deregulatory actions, over 90 percent of surveyed partners reporting the value of Bank Secrecy Act data, and nearly 600 stakeholder engagement and training events. FinCEN also continues to drive impact through efforts that have helped return nearly \$1 billion to fraud victims since 2015.

Deposit / Retail Operations

FTC [With people losing big to investment scams, learn how to spot and avoid them](#) (04/16/2026) – You might be interested in making money through investments. Who isn't? So offers that promise big returns might draw your attention...and scammers know this. They use those promises and clever schemes to lure you in and, unfortunately, people are losing big money on investment scams. In fact, FTC data shows reports of more than \$7.9 billion in losses to investment scams, with a median individual loss of more than \$10,000 in 2025. Do you know how to spot and avoid investment scams?

Comment: *As always, find ways to share with your account holders. You are never done educating your account holders about ways to spot and avoid scams.*

FDIC [Rescinds Supervisory Guidance on Multiple Re-Presentation NSF Fees](#) (04/10/2026) – On June 16, 2023, the FDIC issued a Financial Institution Letter (FIL-32-2023) titled [FDIC Clarifying Supervisory Approach Regarding Supervisory Guidance on Multiple Re-Presentation NSF Fees](#). This guidance described the FDIC's supervisory approach relating to supervised institutions assessing multiple non-sufficient funds (NSF) fees arising from the re-presentation of the same unpaid transaction. The FDIC is rescinding FIL-32-2023 effective immediately.

Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions.

Highlights:

- On June 16, 2023, the FDIC issued FIL-32-2023, which rescinded and replaced FIL-40-2022, entitled "Supervisory Guidance on Multiple Re-Presentation NSF Fees."
- Based on a review and assessment of the guidance in FIL-32-2023, the FDIC concludes that the guidance is overly broad in scope and has raised uncertainty regarding when, for instance, disclosures regarding re-presentments may result in "unfairness" concerns under Section 5 of the Federal Trade Commission Act.
- As a result, the FDIC is rescinding FIL-32-2023 effective immediately.
- Supervised institutions should ensure their disclosures to consumers accurately reflect their practices and are provided in accordance with applicable laws, regulations, and other current legal requirements.

FIL-14-2026

Comment: *Banks commonly charge NSF fees when checks or Automated Clearinghouse ("ACH") transactions are presented for payment but cannot be covered by the balance in a customer's transaction account. After a check or ACH payment has been declined, it may later be resubmitted for payment (e.g., by a merchant), which may result in the bank charging an additional NSF fee for the same transaction if the customer's account does not then reflect the necessary balance. The FDIC refers to these additional NSF fees as re-presentation NSF fees. If you are going to return to charging fees for re-presented items, you should notify your account holders 30 days prior.*

Human Resources

No news to report this week.

Lending

No news to report this week.

Technology / Security

No news to report this week.

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.

- 04.08.2026 **Treasury** [Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements](#) SUMMARY: The Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) and Office of Foreign Assets Control (OFAC) are jointly issuing this proposed rule to implement provisions of the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). Specifically, it implements the GENIUS Act's directive to treat permitted payment stablecoin issuers (PPSIs) as financial institutions for purposes of the Bank Secrecy Act, proposes anti-money laundering obligations for PPSIs, and proposes certain specific obligations required by the GENIUS Act for PPSIs. It also implements the GENIUS Act's directive to require PPSIs to maintain effective sanctions compliance programs. **DATES: Comments must be received by June 9, 2026.**
- 04.07.2026 **Joint** [Anti-Money Laundering and Countering the Financing of Terrorism Programs](#) SUMMARY: The Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) (collectively, "the Agencies" or "Agency" when referencing the singular) are inviting comment on a proposed rule that would require banks to establish and maintain effective anti-money laundering and countering the financing of terrorism (AML/CFT) programs reasonably designed to identify, assess, and mitigate risks of illicit finance.. The amendments are intended to align with changes that are being concurrently proposed by the Financial Crimes Enforcement Network (FinCEN) to implement provisions of the Anti-Money Laundering Act of 2020 (AML Act). Among other changes, this proposed rule would ensure that institutions establish and maintain effective AML/CFT programs that are intended to better achieve the purposes of the Bank Secrecy Act (BSA), culminating in the development of highly useful information related to illicit financial transactions for law enforcement and national security agencies. Through this rulemaking, the Agencies also intend to modernize and reform Federal supervision of AML/CFT programs by enhancing FinCEN's role in AML/CFT supervision and enforcement. **DATES: Written comments must be received by June 9, 2026.**
- 04.07.2026 **FDIC** [GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions](#) SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is soliciting comment on a proposal that would implement certain requirements pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) applicable to FDIC-supervised permitted payment stablecoin issuers and insured depository institutions, clarify deposit insurance coverage for deposits held as reserve assets for payment stablecoins, and clarify the treatment of tokenized deposits. **DATES: Comments must be received by the FDIC no later than June 9, 2026.**
- 04.01.2026 **FinCEN** [Whistleblower Incentives and Protections](#) SUMMARY: FinCEN is proposing a rule to establish a whistleblower program that offers incentives and protections to encourage individuals who have information about potential violations of the Bank Secrecy Act (BSA), International Emergency Economic

Powers Act (IEEPA), Trading With the Enemy Act of 1917 (TWEA), and Foreign Narcotics Kingpin Designation Act (Kingpin Act) to voluntarily report such information (the “Whistleblower Program”). The proposed rule would implement section 6314 of the Anti-Money Laundering Act of 2020 (AML Act) and the Anti-Money Laundering Whistleblower Improvement Act (AML Whistleblower Improvement Act), which were enacted into law as part of the National Defense Authorization Act for Fiscal Year 2021 (FY21 NDAA) and the Consolidated Appropriations Act of 2023, respectively. The Whistleblower Program will contribute to the U.S. government's efforts to safeguard the financial system from illicit use, promote national security, and combat money laundering, terrorist financing, proliferation financing, and related crimes. This notice of proposed rulemaking invites comments from the public regarding all aspects of the proposed rule, as well as comments in response to specific questions. **DATES: Written comments on this proposed rule must be submitted on or before June 1, 2026.**

03.19.2026

Joint [Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-weighted Assets](#)
SUMMARY: The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are proposing to modify certain aspects of the regulatory capital rule (the proposal). The proposal would revise the risk-based capital treatment of certain exposure categories under the standardized approach, focusing on improving the calibration and risk sensitivity of risk weights that are particularly material to covered banking organizations’ lending activities. The proposal would also modify the definition of regulatory capital by removing the threshold-based deduction for mortgage servicing assets for all banking organizations subject to the regulatory capital rule, including Page 2 of 436 banking organizations subject to the community bank leverage ratio framework. In addition, the proposal would require Category III and IV banking organizations to recognize most elements of accumulated other comprehensive income in their regulatory capital. The agencies are concurrently publishing a separate proposal, which would require Category I and II banking organizations to use a new framework to calculate risk-weighted assets, called the expanded risk-based approach and would allow other banking organizations to elect to use the expanded risk-based approach. **DATES: Comments must be received by June 18, 2026.**

02.25.2026

OCC [Requests Comments on Proposal to Implement GENIUS Act](#)
SUMMARY: The Office of the Comptroller of the Currency (OCC) proposes to issue regulations to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act regarding the issuance of payment stablecoins and certain related activities by entities subject to the OCC’s jurisdiction. **DATES: Comments must be received by May 1, 2026.**

12.17.2025

FDIC [Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions](#)
SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is soliciting comments on a proposal that would establish procedures to be followed by an insured State nonmember bank or State savings association (each, an FDIC-supervised institution) that seeks to obtain FDIC approval to issue payment stablecoins through a subsidiary pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). **DATES: Comments must be received by the FDIC no later than May 18, 2026.**