Community Bankers of Michigan Regulatory Dispatch

August 12, 2026

Timely news and resources community bankers can use

OCC's Recent Charter Approvals Signal Momentum for Digital-Asset Bank Charters - Davis Wright Tremaine LLP

Circle is among the first digital-asset companies from the OCC's December 2025 national trust bank charter approvals to receive final approval to commence business. Upstart receives conditional approval for a full-service national bank built from the ground up.

Key Takeaways:

- The Office of the Comptroller of the Currency's (OCC) conditional approvals for digital-asset national trust bank charters reflect accelerating momentum in this area.
- National Trust Bank (NTB) charters enable fintechs to connect customers to a wide variety of digital-asset-based services.
- The growing cadre of charters granted to blockchain and digital-asset-oriented banks confirms that infrastructure, not speculation, is the key differentiator.

Comment: Recent approvals by the Office of the Comptroller of the Currency (OCC) mark a major turning point for digital assets. Major crypto firms like Circle secured final national trust bank approvals, while companies like Ripple and Morgan Stanley's digital unit gained conditional nods. These decisions bring crypto infrastructure directly into the federal banking system.

CBM Insights

Q: Do we need to run 314(a) and OFAC searches on 'Beneficial Owners' that are not signers on an account?

A: For a community bank, the FinCEN Section 314(a) list and the OFAC Sanctions Lists are both critical compliance tools, but they serve completely different operational and legal functions. A 314(a) request is a confidential, one-time search for active law enforcement investigations, while OFAC lists are permanent sanctions watchlists that require freezing transactions and blocking assets.

'Beneficial Owners' are not automatically subject to mandatory automated Section 314(a) searches or reporting under federal regulations. Under FinCEN 314(a) guidelines, banks are only required to search their records for direct account holders or transaction names matching the specific subjects listed in the official law enforcement request, rather than screening the hidden 'Beneficial Owners' tied to those entities.

Regarding OFAC searches on 'Beneficial Owners,' below is from the Final Rule (July 11, 2016) in the preamble section. Notice the underlined passage in the section below.

Some commenters asked FinCEN to clarify what we expect financial institutions to do with the beneficial ownership information that they collect and verify. FinCEN generally expects beneficial ownership information to be treated like CIP and related information, and accordingly used to ensure that covered financial institutions comply with other requirements. For example, the Office of Foreign Assets Control (OFAC) requires covered financial institutions to block accounts (or other property and interests in property) of, among others, persons appearing on the Specially Designated Nationals and Blocked Persons List (SDN List), which includes any entity that is 50 percent or more owned, in the aggregate, by one or more blocked persons, regardless of whether the entity is formally listed on the SDN List. Therefore, institutions should use beneficial ownership information to help ensure that they do not open or maintain an account, or otherwise engage in prohibited transactions or dealings involving individuals or entities subject to OFAC-administered sanctions. Covered financial institutions should also develop risk-based procedures to determine whether and/or when additional screening of these names through, for example, negative media search programs, would be appropriate.

Source link. (page 29409)

IF a beneficial owner is on the OFAC list and **IF** they own more than 50% of the entity, the account must be blocked.

Bank Management

	FDIC Office of Supervisory Appeals Is Operational (08/04/2026) – On January 22, 2026, the FDIC Board approved revised Guidelines for Appeals of Material Supervisory Determinations (Guidelines), which established an independent, standalone Office of Supervisory Appeals (Office) to serve as the final level of review of material supervisory determinations made by the FDIC. The Office, which replaces the Supervision Appeals Review Committee, is now fully operational, and the revised Guidelines take effect August 4, 2026. Office of Supervisory Appeals | FDIC.gov **Statement of Applicability:** The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions. Highlights: • The Office is independent of the Divisions that make supervisory determinations. An institution may appeal a material supervisory determination to the Office after the appropriate Division Director's review of the material supervisory determination. • The Office is staffed by reviewing officials who have direct experience with the supervisory process, and may include former government officials, former bankers, and other former industry professionals. Each panel will include at least one reviewing official with bank supervisory experience and at least one reviewing official with industry experience. Reviewing officials are subject to confidentiality and conflict of interest requirements. • The Office will make independent supervisory determinations without deferring to the judgments of either party, subject to the reasonableness of and the support for the positions advanced. • In addition, institutions' appeal rights are now expanded to permit appeals in certain cases when an enforcement action is proposed or pending. FIL-46-2026

	Related links: ▪ Guidelines for Appeals of Material Supervisory Determinations (PDF) ▪ Amendments to FDIC Guidelines for Appeals of Material Supervisory Determinations | FDIC.gov ***Comment: Expanded appeal rights and independent adjudication by the panel do not apply if enforcement actions stem from Section 8 unsafe or unsound practices, AML/CFT or sanctions violations, and if outside the statute of limitations.***
	OCC Requests Comment on Proposed Rulemaking on the OCC Rules Regarding the Availability of OCC Information (08/03/2026) – WASHINGTON—The Office of the Comptroller of the Currency (OCC) requested comment on a proposal to implement structural and substantive changes to its rules governing the disclosure of OCC information. The proposed changes are designed to improve the balance between protecting OCC confidential information from public disclosure, which is necessary for the candid information exchange between supervised entities and the OCC that underpins effective supervision, and permitting disclosure of information in limited circumstances to support economical business operations, public confidence in the financial system, and the transparency necessary to hold the agency accountable. "The public's understanding of, and confidence in, our supervision and banks are essential to the proper functioning of our financial system and good government," said Comptroller of the Currency Jonathan V. Gould. "I look forward to commenters' views on how today's proposal would seek to effect these goals while still protecting against disclosures that could harm banks or the supervisory process." Comments on the attached proposal are due 60 days after the date of publication in the *Federal Register*. Related Link ▪ *Federal Register* Notice (PDF)

BSA / AML

	No news to report this week.

Deposit / Retail Operations

	Ballard Spahr LLP CFPB Sends New Section 1033 "Open Banking" Proposal to OIRA for Review (08/07/2026) –According to the Office of Information and Regulatory Affairs (OIRA), the CFPB has submitted a Notice of Proposed Rulemaking (NPRM) entitled Personal Financial Data Rights Reconsideration (Section 1033 of the Dodd-Frank Act) for review under Executive Order 12866. Submission of a proposed rule to OIRA is generally one of the final steps before the proposal is published in the Federal Register for public comment. ***Comment: The CFPB has reopened the rulemaking via an Advance Notice of Proposed Rulemaking (ANPR) in August 2025, reopening four key issues: who qualifies as a consumer's authorized "representative;" whether data providers may charge fees for data access; adequacy of data security standards; adequacy of privacy protections (including GLBA).***

FTC How to talk to your teens about credit and identity theft (08/06/2026) – Getting ready for college or back-to-school is a good time to talk with your teens about financial wellness. To help guide the conversation, the FTC has free tools on managing money, building credit, and protecting against identity theft. Creating good habits takes time, but here are some ideas to get you started.

- **Get step-by-step instructions on how to make a budget.** Use the accompanying worksheet to show your kids the importance of tracking how much you're taking in and spending.
- **Get credit reports for free at AnnualCreditReport.com.** This is an opportunity to talk about credit reports and how the information in them affects their ability to get credit cards, loans, or even a job or apartment. Generally, a child under 18 won't have a credit report. If they do, it could be a sign of identity theft.
- **Schedule time to regularly monitor your teen's credit.** Let your child know the importance of regularly monitoring their credit reports to make sure they're accurate. Get reports free every week from all three nationwide credit bureaus at AnnualCreditReport.com. Take steps to dispute any errors you spot. And if anyone has used their information without permission, report it and get a plan to help them recover at IdentityTheft.gov.

While on the subject of money and credit, use consumer.gov for more tools to help you prepare your kids to manage their money, handle their credit, and deal with debt as they get older — all while avoiding scams.

Comment: Find ways to share information with customers.

Human Resources

No news to report this week.

Lending

FRB The July 2026 Senior Loan Officer Opinion Survey on Bank Lending Practices (08/03/2026) – The July 2026 Senior Loan Officer Opinion Survey on Bank Lending Practices (SLOOS) addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months, which generally correspond to the second quarter of 2026.[1]

Regarding loans to businesses over the second quarter, survey respondents reported, on balance, basically unchanged standards for commercial and industrial (C&I) loans to firms of all sizes. Meanwhile, banks reported stronger demand for C&I loans from large and middle-market firms and basically unchanged demand for C&I loans from small firms on net.[2] Furthermore, banks generally reported easier standards and basically unchanged demand for commercial real estate (CRE) loans.

For loans to households, banks reported mixed changes in lending standards and weaker demand for residential real estate (RRE) loans on balance. Standards were unchanged and demand strengthened for home equity lines of credit (HELOCs). In addition, standards tightened for credit card loans, with demand remaining basically unchanged. Standards remained basically unchanged for auto and other consumer loans, while demand weakened for auto loans and remained unchanged for other consumer loans.

The July SLOOS included a set of special questions inquiring about the current levels of lending standards relative to the midpoint of the range over which banks' standards have varied since 2005. Banks reported that, on balance, the levels of standards are currently at the tighter end of the range for all loan categories except C&I loans, for which standards are generally easier than their midpoints.

	Compared with the July 2025 survey, banks reported easier levels of standards for all categories except consumer loans. A second set of special questions similarly inquired about the current levels of standards for loans to non-depository financial institutions (NDFIs) relative to the range of standards that has prevailed since 2011. Banks reported, on balance, that the levels of standards for all queried types of NDFI loans—including loans to mortgage credit intermediaries, business credit intermediaries, private equity funds, consumer credit intermediaries, and other NDFIs—are at the tighter ends of their historical ranges. ***Comment: short, this SLOOS highlights a distinct divergence in credit conditions, showing a strong rebound in Commercial and Industrial (C&I) loan demand alongside persistently weak residential real estate demand.***

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.

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 on or before October 5, 2026.**

07.31.2026 **Joint** Community Reinvestment Act Regulations SUMMARY: The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) are proposing to amend their Community Reinvestment Act rules by making certain substantive, technical, and process-oriented changes to refocus on the statutory objective of encouraging banks to meet the credit needs of their communities; to better ensure that community development grants reach the communities they are intended to benefit; to reduce unnecessary burden, particularly for community banks; and to provide greater clarity for how to obtain CRA consideration. The OCC and the FDIC are also proposing certain technical changes to their rules implementing the Community Reinvestment Act sunshine requirements of the Federal Deposit Insurance Act. In addition, the OCC is proposing similar technical changes to its Public Welfare Investments rule and its Rules, Policies, and Procedures for Corporate Activities. **DATE: Comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

07.17.2026 **FDIC** Reporting Forms and Instructions Associated with Requirements and Standards for FDIC Supervised Permitted Payment Stablecoin Issuers SUMMARY: The FDIC invites comment on new forms and instructions associated with an Office of Management and Budget (OMB) control number (3064-0225) assigned in connection with a notice of proposed rulemaking. In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the FDIC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid OMB control number. As part of the notice of proposed rulemaking, the FDIC sought a new OMB control number for a new information collection that would include weekly and quarterly reporting forms that must be completed by permitted payment stablecoin issuers. **DATES: Comments must be submitted on or before September 18, 2026.**

06.22.2026 **Joint** Permitted Payment Stablecoin Issuer Customer Identification Program **SUMMARY**: The Financial Crimes Enforcement Network (FinCEN), together with the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) are jointly issuing this proposed rule to implement certain provisions of the Guiding and Establishing National and Innovation for U.S. Stablecoins Act (GENIUS Act). Specifically, this rulemaking implements the GENIUS Act's directives to treat permitted payment stablecoin issuers as financial institutions under the Bank Secrecy Act and to require issuers to maintain an effective customer identification program. **DATES: Comments must be received by August 21, 2026.**