



Community Bankers of Michigan Regulatory Dispatch

August 26, 2026

Timely news and resources community bankers can use

Comptroller Gould Discusses Digital Asset Innovation, GENIUS Next Steps

WASHINGTON—Comptroller of the Currency Jonathan V. Gould today discussed the Office of the Comptroller of the Currency's (OCC) work under the leadership of President Donald J. Trump and U.S. Secretary of the Treasury Scott Bessent to support the Administration's efforts to grow the economy and lead the global digital currency revolution, in a Fireside Chat at the Wyoming Blockchain Symposium in Jackson Hole, Wyoming.

Excerpts from Comptroller Gould's discussion:

On de novo chartering and digital assets

Since President Trump took office, so over the last 18 or so months, we have received 40 applications for new bank charters in this country. Over half of those bank charters in the business plans for those bank charters involve some form of digital asset activity. So that's 23 out of 40. That's an eightfold increase from the four years of the Biden administration. So that tells you about where the puck is going. We are now seeing when we look out further, when I look out further to the pipeline of potential applicants for bank charters, it is becoming ordinary course to involve and integrate payment stablecoins, etc. in the business plans that we are now seeing presented to the OCC for consideration.

On the GENIUS Act

We were working on the rule even before the President actually signed the bill into law. We will have a final rule out by November, so we are working with great speed here.

We are witnessing the birth of a new industry in the form of payment stablecoins.

Looking ahead

We're very excited about the prospect of stablecoins and our role in that regulatory and supervisory landscape. It actually brings us back to our original mission back in the 1860s when we were created, which is ensuring that the reserve assets backing then national bank issued notes were of the same level of quality. That's exactly analogous to what Congress has tasked us with doing with respect to payment stablecoins.

Comment: Notably, the OCC received 40 new bank charter requests over the last 18 months. More than half of those business plans (23 out of 40) include digital asset activity. This marks an eightfold increase in digital asset chartering compared to the previous administration. Integrating payment stablecoins is becoming ordinary business practice for new bank applications.

CBM Insights

Q: We need some clarification on paying interest on an unauthorized ACH. We do not provide provisional credit on ACH disputes, because we complete the investigation and provide final credit within the 10-business-day timeframe. We always provide final credit, and our disclosures do not include anything about interest on errors. Is this correct or are we required to pay interest.

A: If the unauthorized ACH caused the accountholder to miss out on interest they would have otherwise earned, the account must be restored to the position it would have been in had the error not occurred. The logic being, you are making them whole for a transaction that never should have happened from Day 1, not Day 10 or Day 45. See below:

6. Correction of an error. If the financial institution determines an error occurred, within either the 10-day or 45-day period, it must correct the error (subject to the liability provisions of §§ 1005.6(a) and (b)) including, where applicable, the crediting of interest and the refunding of any fees imposed by the institution. In a combined credit/EFT transaction, for example, the institution must refund any finance charges incurred as a result of the error. The institution need not refund fees that would have been imposed whether or not the error occurred.

Source [link](#).

Additionally, if the unauthorized ACH caused overdraft fees, NSF charges, or late fees on the account, your bank must refund those fees as part of correcting the error.

2. Fees for overdrafts. The financial institution may not impose fees for items it is required to honor under § 1005.11. It may, however, impose any normal transaction or item fee that is unrelated to an overdraft resulting from the debiting. If the account is still overdrawn after five business days, the institution may impose the fees or finance charges to which it is entitled, if any, under an overdraft credit plan.

Source [link](#).

The absence of interest verbiage in your Regulation E initial disclosures does not exempt you from federal compliance requirements if interest restoration or fee reimbursement is legally owed under §1005.11.

Bank Management

FRB [Industrial Production and Capacity Utilization - G.17](#) (08/18/2026) – Industrial production (IP) and manufacturing production each grew 0.2 percent in July after growing 0.3 percent in June. In July, the indexes for mining and for utilities increased 0.2 percent and 0.5 percent, respectively. Manufacturing output excluding motor vehicles and parts increased 0.4 percent. At 103.0 percent of its 2017 average, total IP in July was 1.1 percent above its year-earlier level. Capacity utilization edged up to 76.3 percent, a rate that is 3.1 percentage points below its long-run (1972–2025) average.

BSA / AML

No news to report this week.

Deposit / Retail Operations

FTC [Searching online: bill pay impersonators](#) (08/17/2026) – Planning to pay a bill online? Before you start searching for a company's payment site, know that dishonest companies sometimes use paid search ads to trick you into paying them instead of the company or agency you're looking for. Here's how it happens.

You need to pay a bill, so you search online using a search engine such as Google Search or Bing for the company's payment site.

Human Resources

Jackson Lewis P.C. [Safeguarding Reputation: How to Evaluate Financial Services Employee Off-Duty Conduct](#) (08/19/2026) – In an era of instant public scrutiny, employers are increasingly responding to employees' off-duty conduct that threatens their reputation, particularly in the financial services industry, where public trust and confidence are critical.

In general, when evaluating employees' off-duty conduct for corrective action, employers should focus on the conduct's demonstrable connection to the job duties, impact on workplace operations or regulatory obligations, or effect on other legitimate business necessity. By grounding their employment decisions in legitimate business concerns rather than vague "reputational risk," employers can reduce legal exposure while protecting the public trust on which their businesses depend.

Because of the heightened public expectation that financial service providers employ trustworthy people to handle their money, Section 19 of the Federal Deposit Insurance Act (12 U.S.C. § 1829) sets a high bar by prohibiting, for a specified period, a person from participating in the conduct of the affairs of an FDIC-insured bank if they have been convicted of certain crimes involving dishonesty or breach of trust or money laundering offenses. Courts have also recognized this enhanced expectation for employee conduct outside the workplace and explained how to assess the conduct's possible relatedness to the business. In an unpublished appellate case (*Ela v. California Unemployment Insurance Appeals Board*, 2016 Cal. App. Unpub. LEXIS 8739 [Nov. 1, 2016]), the court provided an illustrative example from the California Code of Regulations (22 CCR 1256-33):

[A]n official of a local bank, is arrested and convicted for theft. The bank's business reputation is damaged. This would be so even if the theft was not from the bank and committed during off-duty hours. On the other hand, the off-duty theft by a janitor of this same bank would have little effect on the bank's reputation and public trust and confidence in this bank. A discharge of the bank official would be for misconduct connected with the work. A discharge of the bank's janitor would not be for work-connected activity.

What should an employer do when an employee's non-criminal, off-duty conduct poses a risk to the public's trust in the institution? While reputational risk is often a legitimate business concern, employers should also articulate the business justification for any adverse employment decision.

Comment: Financial services firms – like banks - must protect their brand reputation while respecting worker privacy. Evaluating off-duty conduct requires balancing company risk against local labor laws.

Lending

No news to report this week.

Technology / Security

CISA [#StopRansomware: Medusa Ransomware](#) (08/18/2026) – The Federal Bureau of Investigation (FBI), Cybersecurity and Infrastructure Security Agency (CISA), and U.S. Department of Health and Human Services (HHS) are releasing this updated joint advisory to disseminate known Medusa ransomware tactics, techniques, and procedures (TTPs) and indicators of compromise (IOCs) identified through FBI investigations as recently as April 2026. Medusa is a ransomware-as-a-service (RaaS) variant first identified

in June 2021. Both Medusa developers and affiliates use a double-extortion model where they encrypt victim data and threaten to publicly release exfiltrated data if a ransom is not paid.

Last Update Description The update expands details on Medusa actors' operations, including more specifics about their affiliate model and payment ranges for initial access brokers, as well as a broader list of exploited vulnerabilities. It describes Medusa's opportunistic targeting and use of Interactsh URLs for exploit verification. It also lists additional tools for network enumeration, persistence, and stealth, including detailed PowerShell obfuscation techniques and command-and-control utilities. Additionally, HHS has been added as a co-sealer, providing their insights into Medusa's operations against the Healthcare and Public Health Sector.

Key Actions

- Mitigate known vulnerabilities by ensuring operating systems, software, and firmware are patched and up to date within a risk-informed span of time.
- Segment networks to restrict lateral movement from initial infected devices and other devices in the same organization.
- Filter network traffic by preventing unknown or untrusted origins from accessing remote services on internal systems.

Comment: This Medusa Ransomware joint advisory warns that the Medusa cybercrime group has breached more than 500 critical infrastructure organizations. It is a dangerous Ransomware-as-a-Service (RaaS) tool first seen in June 2021.

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 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 October 13, 2026.**
- 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.**