Community Bankers of Michigan Regulatory Dispatch

December 10, 2025

Timely news and resources community bankers can use

Federal Reserve Board Announces Pricing, Effective January 1, 2026, For Payment Services The Federal Reserve Banks Provide To Banks And Credit Unions

The Federal Reserve Board on Thursday announced pricing, effective January 1, 2026, for payment services the Federal Reserve Banks provide to banks and credit unions, such as the clearing of checks, automated clearing house (ACH) transactions, instant payments, and wholesale payment and settlement services.

By law, the Federal Reserve must establish fees to recover the costs, including imputed costs, of providing payment services over the long run. The Federal Reserve expects to recover 108 percent of actual and imputed expenses in 2026, including the return on equity that would have been earned if a private-sector firm provided the services. Overall, price changes for 2026 will result in an estimated 0.9 percent average price increase for established, mature services.

The entire 2026 fee schedule is published on FRBservices.org®. Additional information on the Federal Reserve's payments services, including service usage statistics, is available on the Board's website.

Comment: The Fed is required to cover 'actual and imputed expenses and expects to recover 108% of those costs in 2026. The entire 2026 fee schedule is published the Federal Reserve website.

CBM Insights

Q: We have a customer that we suspect is the victim of fraud or may be involved in some sort of fraud. They have sent wires and have purchased and sent cashier's checks as well. Can we refuse to honor the cashier's check or send the wire?

A: Let's tackle the cashier's check first. Once issued, you can't refuse to honor the check when it is properly presented. There is just no mechanism for stopping payment on or refusing to honor an authentic cashier's check aside from it being lost, stolen, or destroyed.

Similar with the wire, once sent it is sent and any hope of recovering or recalling the wire lies with the recipient bank and the receiver. Like a cashier's check, there is just no mechanism for recalling a wire because either your bank or the sender suspect fraud.

Can you refuse to send a wire or issue a cashier's check? That gets complicated because if the accountholder has the available funds there are no grounds not to allow them to transact on the account. Any refusal should be based on actual facts and any contractual provisions you have with the accountholder. If the accountholder is the victim of elder abuse or financial exploitation, follow bank procedures on how to handle and report as needed to the state – referring to the Michigan Department of Health and Human Services adult protective services.

The best defense is to educate the accountholder before – and hopefully preventing them from sending – the cashier's check or wire to begin with. Let them know that once sent, it is like handing cash out with no guarantee of performance or recovery.

Bank Management

OCC Comptroller Issues Statement on Congressional Debanking Report (12/01/2025) – WASHINGTON—Comptroller of the Currency Jonathan V. Gould issued the following statement on the release of the report titled "Operation Chokepoint 2.0: Biden's Debanking of Digital Assets," issued by the U.S. House of Representatives' Financial Services Committee majority staff.

The congressional staff report on the Biden Administration's coordinated effort to debank digital assets confirms what many have long suspected: the Biden Administration's actions discouraged and prevented the institutions within the regulated banking system from engaging with digital assets. I commend Financial Services Committee Chairman Hill and his staff for shining a light on the politicization of banking which has hampered industry's efforts to modernize, innovate, better serve their customers and contribute to the national economy.

To provide transparency around the OCC's prior requirement for non-supervisory objection before a national bank engaged in digital asset activities under Interpretive Letter 1179, the OCC recently published each formal bank request submitted and the agency's response. Additionally, the OCC has removed references to reputation risk in its handbooks and guidance documents and, with the Federal Deposit Insurance Corporation, issued a proposal to codify the elimination of reputation risk from its supervisory programs. These actions eliminate one of the tools previously used by regulators to drive debanking.

Consistent with the President's Executive Order on Guaranteeing Fair Banking for All Americans, the OCC continues its investigation into the role played by the largest banks in debanking digital asset customers or other legal businesses. The OCC intends to hold these banks accountable for any unlawful debanking activities it identifies, and to ensure OCC-supervised institutions provide access to financial services based on individualized, objective and risk-based analyses.

Related Link

- Summary of Interpretive Letter 1179 Requests

Comment: In October of this year, Comptroller of the Currency Jonathan Gould said that the OCC would be using its licensing process, the Community Reinvestment Act exam process, the consumer complaints it receives and third-party databases to "bring to light any debanking issues."

OCC Comptroller Testifies on Agency Activities (12/02/2025) – WASHINGTON—Comptroller Jonathan V. Gould testified on the Office of the Comptroller of the Currency's (OCC) activities before the Committee on Financial Services of the U.S. House of Representatives.

In his testimony, the Comptroller discussed the OCC's work to reset its risk tolerance and refocus supervision on material financial risks so banks may better support a thriving economy. He highlighted the agency's efforts to eliminate debanking from the federal banking system, improve capital standards, and implement the GENIUS Act. Mr. Gould also discussed addressing agency operations.

Related Link

- Written Testimony (PDF)

FRB Supervision and Regulation - Vice Chair for Supervision Michelle W. Bowman (12/02/2025) – *Prioritizing Community Banking Issues - One of the Federal Reserve's goals is to tailor our regulatory and supervisory framework to accurately reflect the risk that different banks pose to the financial system. Community banks are subject to less stringent standards than large banks, but there remains more opportunity to tailor regulations and supervision to the unique needs and circumstances of these banks. We cannot continue to push policies and supervisory expectations designed for the largest banks down to smaller, less risky, and less complex banks.*

In this regard, I support efforts by Congress to reduce burden on community banks. I support increasing static and outdated statutory thresholds, including asset thresholds, that have not been updated for years. Asset growth due, in part, to inflation over time has resulted in small banks becoming subject to laws and regulations that were intended for much larger banks. I also support improvements to the Bank Secrecy Act and anti-money-laundering framework that will assist law enforcement while minimizing unnecessary regulatory burden that disproportionately falls on community banks. As an example, the thresholds for Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs) have not been adjusted since they were established, despite decades of significant growth in the economy and financial system. These thresholds should be updated to more effectively focus resources on those transactions and activities that truly are suspicious.

Where possible, the Federal Reserve is taking its own actions to further tailor regulatory and supervisory measures to support community banks in more effectively serving their customers and communities. We recently proposed changes to the community bank leverage ratio to provide community banks greater flexibility and optionality in their capital framework while preserving safety and soundness and the capital strength of the banking system. This enables community banks to focus on their core mission: stimulating economic growth and activity through lending to households and businesses. We also recently released new capital options for mutual banks, including capital instruments that could qualify as tier 1 common equity or as additional tier 1 equity. We are open to further refinement of these options and look forward to feedback.

It is also time to more effectively tailor the merger and acquisition (M&A) and de novo chartering application processes for community banks. We are exploring streamlining these processes and updating the Federal Reserve Board's (Board's) merger analysis to accurately consider competition among small banks. Now is the time to build a framework for community banks that recognizes their unique strengths and supports their critical role in providing financial services to businesses and families throughout the United States.

Effective regulatory frameworks are an essential operational foundation for our ability to effectively supervise financial institutions. We are in the process of conducting our third Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) review to eliminate outdated, unnecessary, or overly burdensome rules. My expectation is that—unlike previous EGRPRA reviews—this review will create substantive change. This type of regular assessment should be an ongoing aspect of our work. A proactive approach will ensure that regulations are responsive and adaptable to the evolving needs of, and conditions in, the banking sector.

OCC Maintains Assessment Rates for National Banks and Federal Savings Associations (12/01/2025) – WASHINGTON—The Office of the Comptroller of the Currency (OCC) announced that it is maintaining assessment rates for the 2026 Calendar Year.

	OCC-regulated institutions will continue to benefit from the decrease in assessment rates that the agency made as recently as September 2025. For the September 30, 2025, semiannual assessment, the OCC reduced the rates in the general assessment fee schedule by 30 percent for assets up to $40 billion and 22 percent for assets above $40 billion and reduced the rates in the independent trust and independent credit card assessment fee schedules by 22 percent. The 2026 assessment rates will provide the OCC with sufficient resources to ensure a well-trained staff that keeps up with emerging trends and embraces new technologies in performing the agency's important mission to maintain the safety and soundness of the federal banking system. The calendar year 2026 assessment rates will be in effect as of January 1, 2026, and will be reflected in assessments paid on March 31, 2026, and September 30, 2026. Related Link ▪ Schedule ***Comment: The current assessment rates, which were lowered in September 2025 (by 30% for smaller banks, 22% for larger banks, and 22% for trust/credit card fees) will be maintained for 2026.*** These ***rates are effective January 1, 2026, and will appear in the semiannual payments due March 31, 2026, and September 30, 2026.***
	Joint Streamlining the Consolidated Reports of Condition and Income (Call Report) (12/01/2025) – Summary: On December 1, 2025, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) published the attached Federal Register notice requesting input on sources of regulatory reporting burden for institutions that file the Call Report. Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-insured financial institutions. Distribution: FDIC-Insured Financial Institutions. ***Comment: The agencies appear focused on pinpointing resource-intensive or manual sections of the report; weighing how new technology can automate preparation; considerations on raising asset thresholds for the simplified FFIEC 051 form; and determining if some data is unnecessary or could be collected less frequently.***
	FRB Supervision and Regulation Report (12/01/2025) – The report summarizes banking conditions and the Federal Reserve's supervisory and regulatory activities, in conjunction with semiannual testimony before Congress by the Vice Chair for Supervision. Report: PDF | Data Sources and Terms ***Comment: 'The report indicates declines among global systemically important banks, large foreign and domestic banking organizations, and small and midsize banks, reflecting a shift in the Fed's supervisory posture.' – Sheppard Mullin.***

BSA / AML

	No news to report this week.

Deposit / Retail Operations

<table>
<tr><td></td><td>

FRB Federal Reserve Board Requests Public Input on the Impact of Potential Strategic Changes to Check Services Provided by the Fed, as Well as Check Usage and Preferences (12/04/2025) – The Federal Reserve Board on Thursday requested public input on the impact of potential strategic changes to check services provided by the Fed, as well as check usage and preferences.

The Reserve Banks offer check collection and processing services at a fee to banks and credit unions. Over time, check use has steadily declined, digital payment methods have grown in availability and use, and check fraud has risen. Also, the Reserve Banks will need to make substantial investments in their check infrastructure to continue providing the same level of check services going forward. To help the Board understand stakeholder needs and balance tradeoffs as it considers the future of the Reserve Banks' check services, the Board is seeking input on potential future changes to check services with varying effects on the level of check services offered and their costs. For example, potential future changes could include:

- Foregoing investments in the Reserve Banks' check infrastructure to keep operating costs at existing levels with reduced reliability of check services over time;
- Investing in the Reserve Banks' check infrastructure to maintain and potentially improve check services with higher operating costs; or
- Significantly reducing check services, or alternatively, substantially winding them down, both resulting in reduced operating costs.

The Board's request for public input asks several questions about these potential changes, including the impact on consumers and businesses. This request for public input is preliminary. Accordingly, if commenters and the Board's analysis support a strategy that may have significant longer-run effects on the nation's payments system, the Board would seek additional public comment on such changes to check services prior to adoption.

Comments are due within 90 days after publication in the Federal Register.

Comment: As noted previously, the Fed must cover costs through fees. Aging infrastructure, declining volume and technological innovations are adding pressures on the Fed to make changes. Any major changes proposed after this preliminary process is completed will be open for comment.

</td></tr>
<tr><td></td><td></td></tr>
<tr><td></td><td>

FTC Can You Unbox the Signs of a Reshipping Scam? (12/03/2025) – A work-from-home job promising easy money and a fancy title like “delivery operations specialist” or “quality control manager” might sound great. But if the offer says all you need to do is receive shipments, repackage them, and send them on to a new address, it’s a reshipping scam. Here’s what the “employer” leaves out of the job description.

When scammers send fake job offers, they sometimes lie about being affiliated with familiar companies like Amazon or FedEx. And they use stolen credit card or bank information to send you high-dollar items (like brand new electronics). Your “job” is to throw out the original box and receipt and send those stolen goods on to another address, often an international one, where it can’t be tracked.

</td></tr>
</table>

	You may not even know it was a scam until payday comes and goes without a word (or a dollar) — and your "employer" has ghosted you. And if you shared personal information like a bank account or Social Security number or a photocopy of your ID, you might have an identity theft problem. No matter how someone packages a job offer, take these steps to avoid a scam: • **Search the employer online.** Look up the name of the company or the person who's hiring you, plus the words "scam," "review," or "complaint." If others say they've been scammed by that company or person, walk away. • **Talk with someone you trust.** Describe the offer to them. What do they think? This also helps give you vital time to think about the offer. • **If you think you've already shared personal information,** go to IdentityTheft.gov/steps to get advice on how to protect yourself before identity theft happens. Reshipping goods is never a real job. Report these scams to the FTC at ReportFraud.ftc.gov and the U.S. Postal Inspection Service at uspis.gov/report. Topics: Jobs and Making Money Scams Job Scams Money-Making Opportunity Scams ***Comment: Find ways to share this information with your customers.***

Human Resources

	No news to report this week.

Lending

	Joint Statement on OCC and FDIC Withdrawal from the Interagency Leveraged Lending Guidance Issuances (12/05/2025) – WASHINGTON—The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation (collectively "the agencies") are rescinding the "Interagency Guidance on Leveraged Lending" ("2013 Guidance"), dated March 21, 2013, and the "Frequently Asked Questions for Implementing March 2013 Interagency Guidance on Leveraged Lending" ("2014 FAQs"), dated November 7, 2014. The agencies expect banks to manage leveraged lending exposures consistent with general principles for safe and sound lending. Background: Leveraged lending plays a vital role in the U.S. financial system. It provides a wide range of businesses, including those that are highly indebted or highly leveraged or that have low obligor ratings, with access to capital for business transformations, including mergers, acquisitions, re-capitalizations, refinancings, and equity buyouts, as well as for business and product line buildouts and expansions. It enables businesses to grow in a manner and at a rate that may not otherwise be possible. This growth helps fuel the nation's economy, contributing to innovation and job creation. Banks traditionally participate in the leveraged lending market by providing or arranging financing and by facilitating the syndication process. Banks also have indirect exposure to leveraged borrowers via lending

to business development companies and certain debt funds, as well as investments in collateralized loan obligations that contain securitized leveraged loans.

The 2013 Guidance and 2014 FAQs were overly restrictive and impeded banks' application to leveraged lending of the risk management principles that guide their other business decisions. This resulted in a significant drop in leveraged lending market share by regulated banks and significant growth in leveraged lending market share by nonbanks, pushing this type of lending outside of the regulatory perimeter. In addition, the guidance was overly broad and captured certain types of loans that were not intended to be covered, including loans to investment-grade companies.

Moreover, the U.S. Government Accountability Office found that the 2013 Guidance was a rule for the purposes of the Congressional Review Act that was required to be submitted to Congress for review. However, the agencies never submitted the 2013 Guidance to Congress.

For these reasons, the agencies are rescinding the 2013 Guidance and the 2014 FAQs. In place of these issuances, banks should apply the agencies' general principles for prudent risk management of commercial loans and other types of lending to their leveraged lending activities. In general, banks should consider the following general principles for safe and sound lending when managing the risks associated with leveraged lending:

1. Banks involved in leveraged lending are exposed to core financial risks—primarily credit and liquidity risks—which may be more pronounced given the activity and profile of the borrowers. The key to safe and sound banking is effectively managing these risks. A bank should manage the risks associated with its leveraged lending activities and tailor its risk management practices based on the quantity of the risk inherent in such activities.

2. A bank should have a clearly defined risk appetite that is reasonable and reflects the aggregate level and types of risk it is willing and able to assume to achieve its strategic objectives. A bank's leveraged lending activities should clearly align with this risk appetite.

3. Each bank should have effective risk management and controls for transactions in its pipeline, including loans to be held and those to be distributed.

4. Each bank should determine its own definition of a "leveraged loan." A bank's application of a bank-wide, consistent definition supports its ability to identify, measure, monitor, and control its aggregate exposure to leveraged lending and to determine adherence to its risk appetite and concentration limits, including for indirect exposures.

5. A bank's underwriting criteria should consider a loan's purpose and sources of repayment and the capacity to de-lever over a reasonable period. Given the risk profiles of leveraged lending transactions, underwriting criteria should be consistently applied to these transactions.

6. Because leveraged borrowers start with high debt relative to cash flow, a bank should conduct an analysis of a leveraged borrower's past and current performance compared with projections, as well as the assumptions on which the projections are based.

7. Because leveraged borrowers generally depend on access to the capital markets or banks for refinancing, a bank should monitor a leveraged loan throughout its life cycle to assess the risk that refinancing is unavailable and to appropriately manage changes to the loan's risk profile.

8. A bank that purchases a participation in a leveraged loan should make a thorough independent evaluation of the transaction and risk involved before committing funds. The same credit assessment and underwriting criteria should be applied as if the bank were originating the loan internally.

	Examiners will examine banks' underwriting, review risk ratings, and monitor the adequacy of loan loss reserves in accordance with general principles of safe and sound lending in a manner tailored to the size, complexity, and risk of leveraged lending activities. The agencies will consider issuing additional guidance related to leveraged lending as appropriate. The agencies commit to issuing any further guidance through the notice and comment process. ***Comment: This is the second major decision the Fed has opted not to sign onto. The other was the joint OCC and FDIC definition of "unsafe and unsound." The Fed viewed that proposed definition as too narrow, potentially limiting supervisory tools and underestimating risks.***
	FRB G.19 Consumer Credit (12/05/2025) – October 2025 - In October, consumer credit increased at a seasonally adjusted annual rate of 2.2 percent. Revolving credit increased at an annual rate of 4.9 percent, while nonrevolving credit increased at an annual rate of 1.2 percent.

Technology / Security

	FinCEN Issues Financial Trend Analysis on Ransomware (12/04/2025) – The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) is issuing a Financial Trend Analysis on ransomware incidents in Bank Secrecy Act data between 2022 and 2024, which totaled more than $2.1 billion in ransomware payments. This report offers greater visibility into the activities conducted by ransomware actors. Ransomware is a complex cybersecurity problem requiring a variety of preventive, protective, and preparatory best practices. News Release: https://www.fincen.gov/news/news-releases/fincen-issues-financial-trend-analysis-ransomware Financial Trend Analysis: https://www.fincen.gov/system/files/2025-12/FTA-Ransomware.pdf ***Comment: The report shows that more than $2.1 billion was paid to ransomware groups between 2022 and 2024, with $1.1 billion paid in 2023 alone. Between 2013 and 2024, FinCEN received 10,470 Bank Secrecy Act (BSA) reports related to ransomware incidents. The majority of the reports, namely 7,395, came in between 2022 and 2023. Between January 2022 and December 2024, 4,194 ransomware incidents were reported to FinCEN, with the highest number of attacks reported in 2023, at 1,512.***

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.

12.04.2025 **FRB** Requests Public Input on the Impact of Potential Strategic Changes to Check Services Provided by the Fed, as Well as Check Usage and Preferences SUMMARY: The Board of Governors of the Federal Reserve System (Board) seeks public input on questions related to the future of the Federal Reserve Banks' (Reserve Banks') check services. The Board will use responses to this request for information (RFI) to assess possible strategies for the future of the Reserve Banks' check services, including potentially substantial changes that may have longer run effects on the payments system. In addition, the Board will use responses to this RFI to analyze other actions that the Federal Reserve System could consider with respect to checks, in partnership with the industry, to support the overall safety and efficiency of the payments system. **DATES: Comments must be received by [DATE WILL BE INSERTED 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

11.30.2025 Joint Regulatory Capital Rule: Revisions to the Community Bank Leverage Ratio Framework 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 inviting public comment on a notice of proposed rulemaking (proposal) that would lower the community bank leverage ratio (CBLR) requirement for certain depository institutions and depository institution holding companies from 9 percent to 8 percent, consistent with the lower bound provided in section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The proposal would also extend the length of time that certain depository institutions or depository 2 of 58 institution holding companies can remain in the CBLR framework while not meeting all of the qualifying criteria for the CBLR framework from two quarters to four quarters, subject to a limit of eight quarters in any five-year period. **DATES: Comments must be received by January 30, 2026.**

11.28.2025 **OCC** Request for Information Regarding Community Banks' Engagement with Core Service Providers and Other Essential Third-Party Service Providers SUMMARY: The OCC is issuing a request for information (RFI) on community bank engagement with their core service providers and other essential third-party service providers. The RFI seeks to better understand how challenges community banks face with such service providers affect these banks' abilities to remain competitive in a rapidly evolving marketplace, as well as what actions the OCC can take to address any of these challenges. **DATES: Comments must be received by January 27, 2026.**