



Community Bankers of Michigan Regulatory Dispatch

December 3, 2025

Timely news and resources community bankers can use

Agencies Issue Final Rule to Modify Certain Regulatory Capital Standards

WASHINGTON – The federal bank regulatory agencies jointly issued a final rule that modifies certain regulatory capital standards to reduce disincentives a banking organization may have to engage in lower-risk activities, such as intermediating in U.S. Treasury markets. The final rule is substantially similar to the [proposal](#) issued in June, with changes at the depository institution level.

Like the proposal, the final rule modifies certain leverage capital standards applicable to the largest and most systemically important banking organizations to serve as a backstop to risk-based capital requirements and to avoid discouraging these organizations from engaging in low-risk activities. The rule sets the standard for these bank holding companies and their depository institution subsidiaries based on each organization's overall systemic risk.

For depository institution subsidiaries, the final rule differs from the proposal by capping the enhanced supplementary leverage ratio standard [eSLR] at one percent, making the overall requirement for these institutions no more than four percent. This treatment is intended to reflect differences in the capital requirements and systemic risk profile of the overall organization relative to its depository institution subsidiaries. This change would also help ensure that the leverage standard operates as a backstop to risk-based capital requirements for depository institutions, particularly during times of stress.

The agencies estimate that overall levels of capital that banking organizations maintain will remain broadly unchanged as a result of this rule. In aggregate, the rule will reduce tier 1 capital requirements for affected bank holding companies by less than two percent. While depository institution subsidiaries would see greater reductions, that capital generally would not be available for distribution to external shareholders due to capital restrictions at the holding company level.

The final rule also includes conforming changes to other regulations that are tied to the leverage capital standards, such as the total loss-absorbing capacity and long-term debt requirements.

The final rule will take effect on April 1, 2026. Banking organizations may elect to adopt the modified standards beginning January 1, 2026.

[Final Rule \(PDF\)](#)

Comment: For banks, the rule calls for adoption of an eSLR buffer standard equal to 50 percent of a covered depository institution's parent GSIB's method 1 surcharge, capped at 1 percent, in addition to the three percent SLR minimum requirement. The FDIC staff memorandum noted, "Capping the buffer at one percent recognizes that the method 1 surcharge of a parent GSIB is in part driven by activities outside of the covered depository institution." The staff memorandum added that the final rule's "capped approach helps to better ensure that the eSLR standards serve as a backstop to risk-based capital requirements for covered depository institutions, as compared to an uncapped approach." In a statement, Greg Baer, President and CEO of the Bank Policy Institute, said, "This overdue reform is based on data and sound empirical research. It will improve market liquidity and banks' capacity to intermediate in Treasury and other capital markets, especially during stress. This reform will leave banks exceedingly well capitalized, with the binding requirement no longer a risk-insensitive leverage ratio but rather risk-based requirements under the Basel regime, the GSIB surcharge and the Federal Reserve's stress capital charge."

Bank Management

FRB [Beige Book](#) (11/26/2025) – National Summary - Overall Economic Activity

Economic activity was little changed since the previous report, according to most of the twelve Federal Reserve Districts, though two Districts noted a modest decline and one reported modest growth. Overall consumer spending declined further, while higher-end retail spending remained resilient. Some retailers noted a negative impact on consumer purchases from the government shutdown, and auto dealers saw declines in EV sales following the expiration of the federal tax credit. Reports of travel and tourism activity reflected little change in recent weeks, with some contacts noting cautious discretionary spending among consumers. Manufacturing activity increased somewhat, according to most Districts, though tariffs and tariff uncertainty remained a headwind. Revenues in the nonfinancial services sector were mostly flat to down, and reports of loan demand were mixed. Some Districts reported declines in residential construction, while others said it was unchanged, and home sales activity varied. A few Districts noted ongoing recovery in the office real estate market. Conditions in the agriculture and energy sectors were largely stable, though some contacts cited challenges from the low-price environment for oil and for some crops. Community organizations saw increased demand for food assistance, due in part to disruptions in SNAP benefits during the government shutdown. Outlooks were largely unchanged overall. Some contacts noted an increased risk of slower activity in coming months, while some optimism was noted among manufacturers.

Labor Markets

Employment declined slightly over the current period with around half of Districts noting weaker labor demand. Despite an uptick in layoff announcements, more Districts reported contacts limiting headcounts using hiring freezes, replacement-only hiring, and attrition than through layoffs. In addition, several employers adjusted hours worked to accommodate higher or lower than expected business volume instead of adjusting the number of employees. A few firms noted that artificial intelligence replaced entry-level positions or made existing workers productive enough to curb new hiring. Across most Districts, employers had an easier time finding workers, but there were still pockets of difficulty related to certain skilled positions and fewer immigrant workers. Wages generally grew at a modest pace; however, some sectors such as manufacturing, construction, and health care experienced more moderate wage pressure because of a tighter labor supply. Furthermore, rising health insurance premiums continue to put upward pressure on labor costs.

Prices

Prices rose moderately during the reporting period. Input cost pressures were widespread in manufacturing and retail, largely reflecting tariff-induced increases. Some Districts noted rising costs for insurance, utilities, technology, and health care. The extent of passthrough of higher input costs to customers varied, and depended upon demand, competitive pressures, price sensitivity of consumers, and pushback from clients. There were multiple reports of margin compression or firms facing financial strain stemming from tariffs. Prices declined for certain materials, which firms attributed to sluggish demand, deferred tariff implementation, or reduced tariff rates. Looking ahead, contacts largely anticipate upward cost pressures to persist but plans to raise prices in the near term were mixed.

	<p>Joint Agencies Issue Proposal to Enhance Community Banks’ Ability to Serve Their Communities While Maintaining Strong Capital Requirements (11/25/2025) – WASHINGTON – The federal bank regulatory agencies invited public comment on a proposal that would implement changes to the community bank leverage ratio framework in accordance with statutory authority. By incorporating these changes, the revisions would reduce regulatory burden and provide community banks with greater flexibility and optionality in their capital management approach. The proposal reflects a deeper understanding of the unique business models, risk profiles, and operational realities of community banks. These tailored modifications represent a necessary step in continuing to focus attention on the unique needs of community banks in today’s financial landscape.</p> <p>The community bank leverage ratio, adopted in 2019, simplifies regulatory capital requirements for community banks by allowing them to adopt a relatively simple leverage ratio to measure capital adequacy. A bank that opts into the framework is not required to calculate and report risk-based capital ratios.</p> <p>The proposal would lower the community bank leverage ratio requirement to eight percent from the current nine percent. The proposal would also extend the grace period, from two quarters to four quarters, for a community bank that opts into the framework and falls out of compliance to come back into compliance.</p> <p>The proposal would continue to require a level of capital that is consistent with ensuring the safety and soundness of community banks and comparable to—or higher than—the amount required under the risk-based capital framework. It would also maintain a leverage ratio that is double the minimum leverage ratio applicable to community banks that do not opt into the framework.</p> <p>These changes demonstrate the agencies’ ongoing commitment to focusing attention on community banks and their vital role in local economies, while ensuring appropriate safeguards remain in place. The proposed modifications provide community banks with enhanced options to manage their regulatory obligations while maintaining their ability to serve their communities.</p> <p>Comments on the proposal are due 60 days after publication in the <i>Federal Register</i>.</p> <p>Revisions to the Community Bank Leverage Ratio Framework Proposal (PDF)</p> <p><i>Comment: Phillip Basil, Director of Economic Growth and Financial Stability at Better Markets, issued the following statement in response to the federal banking agencies announcing the finalization of changes to the enhanced supplementary leverage ratio and proposed changes to the community bank leverage ratio: “The banking agencies today are taking simultaneous actions that prove that their priority is fulfilling the agenda of the largest bank holding companies and doing so at the expense of community banks. While the agencies claim to be supporting community banks through the proposed reduction in the community bank leverage ratio capital requirement, they’ve still moved to implement a leverage requirement for the very largest banks that is about half the one proposed for community banks.</i></p>
	<p>FDIC Finalizes Regulatory Threshold Updates and Indexing to Reflect Inflation (11/25/2025) – WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) Board of Directors issued a final rule that updates certain regulatory thresholds to reflect historical inflation, including those under 12 CFR part 363 related to annual independent audit and reporting requirements, and provides for future adjustments to those thresholds based on inflation.</p>

	<p>The changes set forth in the final rule provide a more durable framework preserving certain regulatory thresholds in real terms, thereby avoiding unintended and undesirable policy consequences. The final rule will provide meaningful burden relief for community banks, including through modifications to thresholds found in 12 CFR part 363 reporting and compliance requirements.</p> <p>Additionally, the final rule provides immediate burden relief to insured depository institutions that are currently subject to part 363 requirements but will no longer be subject to such requirements under the updated thresholds in effect as of January 1, 2026.</p> <p>Final Rule (PDF)</p> <p><i>Comment: Excerpt: “The Federal Deposit Insurance Corporation (FDIC) Board of Directors approved a final rule that updates certain regulatory thresholds to reflect historical inflation, including those under 12 CFR part 363 related to annual independent audit and reporting requirements, and provides for future adjustments to those thresholds based on inflation. The changes set forth in the final rule provide a more durable framework preserving certain regulatory thresholds in real terms, thereby avoiding unintended and undesirable policy consequences.”</i></p>
	<p>FDIC Insured Institutions Reported Return on Assets of 1.27 Percent and Net Income of \$79.3 Billion in Third Quarter 2025 (11/24/2025) –</p> <ul style="list-style-type: none"> • Net Income Increased from the Prior Quarter, Led by Lower Provision Expense and Higher Net Interest Income • Community Bank Net Income Increased from the Prior Quarter • Net Interest Margin Increased from the Prior Quarter • Asset Quality Metrics Remained Generally Favorable, Though Weakness in Certain Portfolios Persisted • Loan Growth Continued from the Prior Quarter • Domestic Deposits Increased for the Fifth Consecutive Quarter • The Deposit Insurance Fund Reserve Ratio Increased 4 Basis Points to 1.40 Percent <p>WASHINGTON—The Federal Deposit Insurance Corporation (FDIC) released the results of its latest Quarterly Banking Profile, a comprehensive summary of financial results based on reports from 4,379 insured commercial banks and savings institutions. In the third quarter of 2025, insured depository institutions reported a return on assets (ROA) ratio of 1.27 percent and aggregate net income of \$79.3 billion, an increase of \$9.4 billion (13.5 percent) from the prior quarter. Strong net interest income growth and a reduction in provision expense, primarily related to last quarter’s large bank acquisition, drove the quarterly increase in earnings.</p>
	<p>FRB Releases Results of Survey of Senior Financial Officers at Banks About Their Strategies and Practices for Managing Reserve Balances (11/21/2025) – The Federal Reserve Board on Friday released results of a survey of senior financial officers at banks about their strategies and practices for managing reserve balances. The Senior Financial Officer Survey is used by the Board to obtain information about banks' reserve balance management strategies and practices, their expectations for potential changes in both the size and composition of their balance sheets, their deposit pricing strategies, and their expectations around stablecoins and digital assets. The most recent survey was conducted in collaboration with the Federal Reserve Bank of New York between September 19, 2025, and September 29, 2025, and includes responses from banks that held around three-fourths of total banking system reserve balances at the time of the survey.</p>

OCC Bank Activities: Request for Information on Community Banks' Engagement with Core Service Providers and Other Essential Third-Party Service Providers (11/24/2025) – Summary - The Office of the Comptroller of the Currency (OCC) released a request for information (RFI) on community banks' engagement with their core service providers and other essential third-party service providers.

Note for Community Banks

This request for information applies to all banks that may want to comment on the matters in the RFI.

Highlights

- The RFI solicits comments on the key challenges and barriers faced by community banks in engaging with their core service providers and other essential third-party service providers. The RFI focuses on ensuring that community banks can remain competitive in a rapidly evolving marketplace and includes questions on the challenges community banks face related to contract negotiations and terms, fees, billing practices, oversight, due diligence, innovation, core conversions, data access and modernization, and interoperability issues. It also includes questions on potential actions the OCC could take to address these challenges, including with respect to burden reduction related to supervisory practices, policies, and guidance (e.g., guidance on third-party risk management), as well as other potential agency initiatives.

The RFI is not intended to impose any obligations or define any rights, and it is not an interpretation of any regulation or statute. The OCC's mission is to ensure that national banks and federal savings associations operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

Comments must be received within 60 days of publication in the *Federal Register*.

Comment: The agency is asking specifically about what barriers exist and what steps regulators might take to address those barriers.

OCC Announces Additional Actions to Support Community Banks and Reduce Regulatory Burden (11/24/2025) – WASHINGTON—The Office of the Comptroller of the Currency (OCC) announced supervisory and regulatory actions to reduce burden for community banks and strengthen their service as drivers of economic growth.

The OCC's actions build on [previous guidance to community banks and proposed rulemakings](#) to tailor risk-based supervision to focus on material financial risk and prioritize reforms at community banks.

"Community banks provide the majority of small business lending and are essential to a diverse, competitive and resilient financial system," said Comptroller of the Currency Jonathan V. Gould. "Today's actions further relieve community banks of unnecessary regulatory requirements and seek to better position them to help fuel job creation and economic development in local communities across the country."

In separate bulletins to banks related to Bank Secrecy Act/Anti-Money Laundering (BSA/AML), the OCC clarified examination procedures applicable to community banks and reduced community bank data collection requirements. Specifically, the OCC announced it is issuing supplementary guidance that tailors the agency's application of the BSA/AML examination procedures for all community banks based on these banks' generally low levels of money laundering and terrorist financing risk. This approach allows the OCC to consider a community bank's risk profile rather than rely on minimum examination procedures that are unduly burdensome for banks and examiners and provide limited benefit. The OCC also announced that it is discontinuing its Money Laundering Risk (MLR) system data collection. These actions demonstrate the

OCC's efforts to improve the effectiveness and efficiency of BSA/AML compliance while reducing unnecessary burden on community banks.

The OCC also issued a request for information (RFI) to better understand how the challenges community banks face with core service providers and other essential third-party service providers affect community banks' abilities to remain competitive. In the RFI, the OCC recognizes the vital role of community banks for the U.S. economy and seeks information on barriers community banks face in engaging with such service providers and actions the OCC could take to address these challenges.

The OCC's work to prioritize community bank reforms is ongoing and includes work on a proposal to reduce the community bank leverage ratio requirement that will be announced soon. The OCC looks forward to continuing to partner with our interagency counterparts to further alleviate regulatory burden on community banks and unleash economic prosperity for communities these institutions serve.

Related Links

- Bulletin 2025-37, "[Bank Secrecy Act/Anti-Money Laundering: Community Bank Minimum Bank Secrecy Act/Anti-Money Laundering Examination Procedures](#)"
- Bulletin 2025-38, "[Bank Secrecy Act/Anti-Money Laundering: Discontinuation of Annual Money Laundering Risk System Data Collection](#)"
- Bulletin 2025-39, "[Bank Activities: Request for Information on Community Banks' Engagement with Core Service Providers and Other Essential Third-Party Service Providers](#)"
 - [Request for Information Regarding Community Banks' Engagement with Core Service Providers and Other Essential Third-Party Service Providers](#) (PDF)
- News Release 2025-95, "[OCC Announces Actions to Reduce Regulatory Burden for Community Banks](#)," October 6, 2025

Comment: The OCC's decision to apply Bank Secrecy Act/Anti-Money Laundering exam procedures based on each community bank's individual risk profile, rather than on minimum standards that examiners and banks have long argued were too rigid is a significant change. The agency is also ending its Money Laundering Risk (MLR) data collection, saying the step will reduce burden without weakening BSA/AML compliance.

OCC [Confirms Bank Authority to Hold Certain Crypto-Assets as Principal for Purposes of Paying Crypto-Asset Network Fees](#) (11/18/2025) – WASHINGTON—The Office of the Comptroller of the Currency (OCC) confirmed permissible bank activities related to paying crypto-asset network fees.

The OCC published Interpretive Letter 1186 confirming that a national bank may pay network fees, sometimes referred to as "gas fees," on blockchain networks to facilitate otherwise permissible activities and hold, as principal, amounts of crypto-assets on balance sheet necessary to pay network fees for which the bank anticipates a reasonably foreseeable need. The OCC also confirms that a national bank may hold amounts of crypto-assets as principal necessary for testing otherwise permissible crypto-asset-related platforms, whether internally developed or acquired from a third party.

As with any activity, a national bank must conduct these activities in a safe and sound manner and in compliance with applicable law.

[Interpretive Letter 1186](#) (PDF)

Comment: Banks considering distributed-ledger integrations should reassess network-fee dependencies, confirm that any crypto-asset holdings remain de minimis and purpose-driven, and update internal controls and governance frameworks accordingly.

	<p>CSBS and the Next Chapter of Supervisory Innovation with Brandon Milhorn (11/19/2025) – Supervisory innovation is shaping the future of financial regulation.</p> <p>In this episode, host Kyle Thomas speaks with Brandon Milhorn, President and CEO of the Conference of State Bank Supervisors (CSBS), about how the Catalyst Initiative is helping state regulators use technology to make financial supervision more efficient, effective, and coordinated.</p> <p>Brandon Milhorn explains how the Catalyst Initiative leverages CSBS programs (NMLS, SES) and new data tools to benefit banks, improve regulation, and foster supervisor-institution relationships. The discussion covers bank data modernization and mortgage compliance innovation, showcasing technology's role in creating a shared understanding of financial risk.</p> <p>In this episode, you'll learn:</p> <ol style="list-style-type: none"> 1. Why technology is key to the future of financial supervision 2. How the Catalyst initiative helps regulators and industry solve shared challenges 3. What new tools can do to improve risk identification and compliance efficiency <p>Timestamps:</p> <p>(00:00) Introduction</p> <p>(01:27) What the Catalyst initiative is and why it matters</p> <p>(03:41) How CSBS helps states work together on supervision</p> <p>(05:14) Why modernizing bank data is a top priority</p> <p>(07:17) How real-time data can transform risk management</p> <p>(09:35) The cost of outdated supervision systems</p> <p>(11:22) Benefits of technology for regulators and institutions</p> <p>(16:06) How Catalyst differs from traditional procurement</p> <p>(20:01) Improving consistency and coordination in nonbank supervision</p> <p>(22:35) How AI and automation can improve loan review</p> <p>(24:18) The partnership with MISMO and its industry impact</p> <p>(27:09) Building a shared understanding of risk</p> <p>(28:18) What's next for Catalyst and supervisory technology</p>

BSA / AML

	<p>FinCEN Issues Alert on Cross-Border Funds Transfers Involving Illegal Alien (11/28/2025) – WASHINGTON —The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) is issuing an Alert as part of Treasury's effort to prevent the exploitation of the U.S. financial system by illegal aliens in the United States seeking to move illicitly obtained funds. Annually over the past several years, the United States has witnessed a significant volume of cross-border funds transfers, including remittances from individuals located in the United States, and has taken multiple steps this year to highlight risks presented by cross-border financial activity.</p> <p>"Money services businesses should be vigilant in identifying suspicious financial activity involving illegal aliens who present significant threats to national security and public safety," said Under Secretary for Terrorism and Financial Intelligence John K. Hurley. "At Treasury, we will continue to protect the American people by faithfully upholding the laws of the United States."</p> <p>This Alert is consistent with Executive Order 14159, Protecting the American People Against Invasion. Money services businesses (MSBs) are generally required to file a suspicious activity report for a transaction that involves at least \$2,000 and that the MSBs know, suspect, or have reason to suspect is relevant to a possible violation of law or regulation. This includes the cross-border transfer of funds</p>
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derived from unlawful employment or otherwise derived from funds the MSB knows, suspects, or has reason to suspect were illicitly obtained in the United States.

The full Alert is available at:

https://www.fincen.gov/system/files/FinCEN_Alert_Cross_Border_FINAL508.pdf

Comment: The alert added that “this includes the cross-border transfer of funds derived from unlawful employment or otherwise derived from funds the MSB knows, suspects, or has reason to suspect were illicitly obtained in the United States by illegal aliens.”

OCC [Bank Secrecy Act/Anti-Money Laundering: Discontinuation of Annual Money Laundering Risk System Data Collection](#) (11/24/2025) – Summary - The Office of the Comptroller of the Currency (OCC) will no longer annually collect information from community banks¹ through the Money Laundering Risk (MLR) System.

Note for Community Banks: This guidance is applicable to all community banks.

Highlights

- Effective immediately, the OCC is discontinuing the annual mandatory data collection from community banks under the MLR System.
- Historically, the OCC has utilized the MLR System to understand, analyze, and assess the money laundering (ML) and terrorist financing (TF) risks in the OCC’s community bank portfolio.
- The OCC has determined that there are alternative, less burdensome means of assessing community banks’ ML/TF risks and, therefore, believes the MLR System is no longer necessary.
- These actions build upon the OCC’s continued efforts to tailor its regulatory and supervisory frameworks to minimize burden for its regulated institutions and promote economic growth.

Background

Since 2005, the OCC has conducted an annual data collection, known as the MLR System, from community banks to assist OCC examiners in supervising Bank Secrecy Act (BSA) and sanctions compliance. Under the MLR System, community banks provide the OCC with information on certain products, services, and customers (PSC) that potentially raise elevated ML/TF concerns. The OCC has historically used collected MLR information to inform supervisory activities, including examination scoping, planning, and transaction testing.

As part of the OCC’s ongoing commitment to appropriate risk-based supervision, the OCC has recently taken steps to ensure that the agency’s bank supervision process is tailored to reflect the generally lower risk posed by community banking activities.² Consistent with this ongoing commitment, the OCC is discontinuing the annual MLR System data collection, which imposed a regulatory burden exclusively on community banks. The OCC believes that the MLR System is no longer necessary and that the OCC can obtain appropriate information on the ML/TF risks of the community bank portfolio in a less burdensome manner, including more tailored requests for information in connection with on-site examination activities. This decision is informed by the OCC’s demonstrated ability to adequately perform BSA-related examination activities for its Large and Global Financial Institutions and Regional and Midsize Financial Institutions groups, which are not required to participate in the MLR System’s annual data collection. The OCC also considered that the MLR System is unique to the OCC’s supervision of community banks, so discontinuing the MLR System would harmonize BSA-related data collection processes across the federal banking agencies.

The OCC will continue to expect community banks to adequately understand the ML/TF risks of their business operations and to comply with applicable laws and regulations, including those issued pursuant to the BSA. Community banks may continue to utilize the OCC’s previously identified PSCs when

evaluating the ML/TF risks of their business operations, if relevant. The OCC, however, will no longer prescriptively require community banks to categorize their products, services, and customers to comply with the PSC data collection requirements of the MLR System.

Comment: The OCC will discontinue annual data collection through the Money Laundering Risk (MLR) System, a reporting exercise required only of community banks. The agency said it can obtain needed information through targeted requests during examinations and that ending the MLR System aligns BSA/AML data practices across federal banking regulators.

OCC [Bank Secrecy Act/Anti-Money Laundering: Community Bank Minimum Bank Secrecy Act/Anti-Money Laundering Examination Procedures](#) (11/24/2025) – Summary - This bulletin establishes the Community Bank Minimum Bank Secrecy Act (BSA/AML) Examination Procedures (Community Bank Procedures) for BSA/AML compliance examinations and provides guidance for Office of the Comptroller of the Currency (OCC) examiners on their application. The Community Bank Procedures, effective for examinations beginning February 1, 2026, reflect the OCC's continued commitment to, and leadership on, efforts to improve the effectiveness and efficiency of the BSA/AML regime and reduce unnecessary burden on community banks.

Note for Community Banks: This bulletin is applicable to all community banks.

Highlights

The Community Bank Procedures reduce burden on community banks by:

- Emphasizing examiner discretion to place reliance, as appropriate, on satisfactory independent testing to form a basis for conclusions for specific examination procedures.
- Allowing examiners to use discretion in carrying forward prior cycle examination conclusions for one examination cycle, for the Training and BSA Compliance Officer pillars, in instances where there have not been significant changes to the bank's risk profile and in consideration of other relevant factors.
- Emphasizing examiner discretion to determine, as appropriate, whether and to what extent to perform transaction testing or whether it is appropriate to limit testing to analytical or other reviews.

Background

Since June 30, 2005, the Federal Financial Institutions Examination Council (FFIEC) has issued and updated the Bank Secrecy Act/Anti-Money Laundering Examination Manual (FFIEC BSA/AML Examination Manual) in an effort to ensure consistent examination procedures were applied when evaluating compliance with BSA regulatory requirements across all commercial banks, savings associations, and credit unions. While the FFIEC BSA/AML Manual is intended to guide examiners through an evaluation of any banking organization's BSA/AML compliance program, the money laundering and terrorist financing (ML/TF) risks can vary significantly depending on the institution's asset size or business lines. Applying these minimum examination procedures to all OCC-supervised institutions can be unduly burdensome, both on OCC examiner resources and on OCC-supervised institutions, when the banking organization's business model presents low ML/TF risk.

As part of the OCC's ongoing efforts to tailor its regulatory and supervisory frameworks to the size and risk profile of an institution, the OCC is issuing supplementary guidance for applying the FFIEC BSA/AML Examination Manual to all OCC-supervised community banks, referred to as the Community Bank Procedures. The Community Bank Procedures will reduce regulatory burden by tailoring examination activities appropriately to institutions that generally present low levels of ML/TF risks.

Comment: Examiners will tailor scoping and testing to each bank's actual risk profile, a shift the agency says will reduce unnecessary regulatory burden while preserving supervisory rigor. The new procedures will apply to examinations starting February 1, 2026.

Deposit / Retail Operations

No news to report this week.

Human Resources

No news to report this week.

Lending

No news to report this week.

Technology / Security

CISA [Spyware Allows Cyber Threat Actors to Target Users of Messaging Applications](#) (11/24/2025) – CISA is aware of multiple cyber threat actors actively leveraging commercial spyware to target users of mobile messaging applications (apps).¹ These cyber actors use sophisticated targeting and social engineering techniques to deliver spyware and gain unauthorized access to a victim's messaging app, facilitating the deployment of additional malicious payloads that can further compromise the victim's mobile device.

These cyber actors use tactics such as:

- Phishing and malicious device-linking QR codes to compromise victim accounts and link them to actor-controlled devices.
- Zero-click exploits,² which require no direct action from the device user.
- Impersonation³ of messaging app platforms, such as Signal and WhatsApp.

While current targeting remains opportunistic, evidence suggests these cyber actors focus on high-value individuals, such as current and former high-ranking government, military, and political officials,⁴ as well as civil society organizations (CSOs) and individuals across the United States,⁵ Middle East,⁶ and Europe.⁷

CISA strongly encourages messaging app users to review the updated [Mobile Communications Best Practice Guidance](#) and [Mitigating Cyber Threats with Limited Resources: Guidance for Civil Society](#) for steps to protect mobile communications and messaging apps, as well as mitigations against spyware.

Comment: The warning draws on research this year that calls attention to hackers who are mimicking popular apps to deploy Android spyware, as well as Android spyware targeting Samsung devices by sending image files over WhatsApp. The warning also piggybacks on research about Russian hackers infecting Signal accounts.

Selected federal rules – proposed

Proposed rules are included only when community banks may want to comment. Date posted may not be the same as the Federal Register Date.

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.**

11.13.2025

CFPB [Small Business Lending Under the Equal Credit Opportunity Act \(Regulation B\)](#) SUMMARY: The Consumer Financial Protection Bureau (CFPB or Bureau) proposes revisions to certain provisions of Regulation B, subpart B, implementing changes to the Equal Credit Opportunity Act made by section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Bureau is reconsidering coverage of certain credit transactions and financial institutions; the small business definition; inclusion of certain data points and how others are collected; and the compliance date. The CFPB believes these proposed changes would streamline the rule, reduce complexity for lenders, and improve data quality, advancing the purposes of section 1071 and complying with recent executive directives. **DATES: Comments must be received on or before December 15, 2025.**