



Community Bankers of Michigan Regulatory Dispatch

February 11, 2026

Timely news and resources community bankers can use

State of the System Podcast – Stablecoins, Tokenized Deposits, and Bank Strategy with Yevgeny Shrago of CSBS

In this episode of State of the System, host Kyle Thomas sits down with Yevgeny Shrago of the Conference of State Bank Supervisors (CSBS) to unpack how stablecoins work and why they are drawing so much attention.

Drawing on his experience across federal agencies, Shrago explains the difference between stablecoins and tokenized deposits, who is using these products today, and what community banks should realistically understand about the current market.

The conversation also covered the new regulatory framework for payment stablecoins established by the GENIUS Act. Shrago offers a clear-eyed look at where banks may face risks, where opportunities may emerge, and how regulators are working to keep innovation focused, responsible, and grounded in existing safeguards.

In this episode, you'll learn:

- Where stablecoins are being used today and why most activity is business-focused
- How the Genius Act changes expectations for oversight, reserves, and consumer protection
- What practical paths community banks have to engage with stablecoins while managing risk

Comment: "In 2026, the question is no longer if blockchain will integrate with banking. The question is how regional and community banks will protect their deposit franchises against 24/7, programmable, global competitors." - Tokenized Deposits vs. Stablecoins: A Practical Guide for Banks and Credit Unions, from the Banking Exchange. Our upcoming Directors' College on February 27 will feature a detailed presentation on stablecoins to keep you and your bank directors informed.

CBM Insights

Q: One of our recent HMDA applications was for a Living Trust; but the applicant was the trustee. Would we need to report the applicant's demographics from the trustee for HMDA purposes, or would this be categorized as Not Applicable? Also, as for occupancy status application was selected as primary residence is that correct or would it be considered second residence or investment property?

A: Assuming you mean the Trust is the borrower with the Trustee submitting the application on behalf of the Trust. See below for details:

7. You must report that the requirement to report the applicant's or co-applicant's ethnicity, race, and sex is not applicable when the applicant or co-applicant is not a natural person (for example, a corporation, partnership, or trust). For example, for a transaction involving a trust, you must report that the requirement to report the applicant's ethnicity, race, and sex is not applicable if the trust is the applicant. On the other hand, if the applicant is a natural person, and is the beneficiary of a trust, you must report the applicant's ethnicity, race, and sex.

[\[Appendix B to §1003 #7\]](#)

4. Applicant data - non-natural person. A financial institution complies with § 1003.4(a)(10)(ii) by reporting that the requirement is not applicable if the applicant or co-applicant is not a natural person (for example, a corporation, partnership, or trust). For example, for a transaction involving a trust, a financial institution reports that the requirement to report the applicant's age is not applicable if the trust is the applicant. On the other hand, if the applicant is a natural person, and is the beneficiary of a trust, a financial institution reports the applicant's age.

[\[Commentary to §1003.4\(a\)\(10\)\(ii\) #4\]](#)

7. Income data - non-natural person. A financial institution reports that the requirement is not applicable when the applicant or co-applicant is not a natural person (e.g., a corporation, partnership, or trust). For example, for a transaction involving a trust, a financial institution reports that the requirement to report income data is not applicable if the trust is the applicant. On the other hand, if the applicant is a natural person, and is the beneficiary of a trust, a financial institution is required to report the information described in § 1003.4(a)(10)(iii).

[\[Commentary to §1003.4\(a\)\(10\)\(iii\) #7\]](#)

If the property is titled in the name of the Trust, then the Trust is a 'non-natural person' and the owner occupancy would be non-owner occupied.

It is worth remembering that Trustees of the Trust manage the assets of the Trust according to the Trust agreement, but they do not own the assets unless the Trust is dissolved and the assets are transferred back to the Settlers.

Bank Management

FRB [Economic Outlook - Governor Lisa D. Cook](#) (02/04/2026) –

Economic Outlook

Broadly, I see the U.S. economy as continuing to be resilient, with recent data indicating that growth in the second half of 2025 was even stronger than previously forecast. Inflation appears to have stalled stubbornly above our 2 percent goal, while at the same time the labor market appears to have stabilized in recent months. While the overall condition of the economy is solid, I am carefully watching sentiment, delinquencies, and other indicators that show a worsening outlook for low- and moderate-income households.

Monetary Policy

When considering the proper stance of monetary policy, I see risks to both parts of our dual mandate. Inflation remains persistently above our 2 percent target, and there is considerable uncertainty about when the tariff effects will recede. While the unemployment rate has shown signs of stabilization, the lack of dynamism in the labor market likely makes it susceptible to downside shocks. Overall, uncertainty about the outlook remains elevated, although I believe the labor market will continue to be supported by the three rate cuts last year.

	<p><i>At this time, I see risks as tilted toward higher inflation. As a result, I supported the FOMC's decision to hold the policy rate steady at our meeting last week. As I described, there is an argument for being optimistic about the path of inflation, but, until I see stronger evidence that inflation is moving sustainably back down to target, that is where my focus will be, in the absence of unexpected changes in the labor market. As I have said before but cannot repeat too many times, the FOMC's firm commitment to its inflation mandate is imperative. After nearly five years of above-target inflation, it is essential that we maintain our credibility by returning to a disinflationary path and achieving our target in the relatively near future. At the height of the recent bout of high inflation, we promised that we would return to target, and it was this promise that kept inflation expectations anchored and allowed us to see the sharp disinflation from 2022 through 2024. If we were to lose credibility, the cost may not be immediately felt, but it would be resoundingly and painfully felt when we need it the most, in an inflation crisis such as the one we experienced three years ago.</i></p>
	<p>FFIEC Announcement 2026-01 UBPR Liquidity Pages Content Changes (02/02/2026) – The Federal Financial Institutions Examination Council’s member agencies are making changes to the Uniform Bank Performance Report’s Liquidity & Funding page and the Liquidity & Investment Portfolio page (Liquidity pages) on or shortly after February 17, 2026. These changes, being led by the Task Force on Surveillance Systems, are part of a previously announced ongoing multi-year review of Uniform Bank Performance Report content.</p>

BSA / AML

	No news to report this week.
--	------------------------------

Deposit / Retail Operations

	<p>FDIC Extends Comment Period on Proposal to Establish GENIUS Act Application Procedures for FDIC-Supervised Institutions Seeking to Issue Payment Stablecoins (02/06/2026) – WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) announced a 90-day extension to the comment period on the agency’s notice of proposed rulemaking (NPR) that would implement the application provisions under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act) for FDIC-supervised state nonmember banks and state savings associations seeking to issue payment stablecoins through a subsidiary.</p> <p>To provide additional time for the public to prepare comments to address the matters raised by the NPR, the FDIC is extending the comment period from February 17, 2026, to May 18, 2026.</p> <p><i>Comment: “In addition, the undersigned associations as well as other stakeholders involved in the digital asset ecosystem need sufficient time to consider how this NPR would interact with the GENIUS Act’s complex and novel regulatory framework for payment stablecoins. The Approval Requirements NPR is one of dozens of interrelated rulemakings required by Congress to implement the GENIUS Act. We appreciate the FDIC’s effort to undertake this rulemaking quickly, but this regulation and the related ones required to be issued by other agencies can effectively achieve Congress’ policy goals only if affected parties are given the opportunity to thoughtfully consider all required rulemakings applicable to payment stablecoins holistically.” – The Bank Policy Institute.</i></p>
--	--

Human Resources

	No news to report this week.
--	------------------------------

Lending

	<p>FRB Senior Loan Officer Opinion Survey on Bank Lending Practices (02/02/2026) – The January 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 fourth quarter of 2025.</p> <p>Regarding loans to businesses, survey respondents reported, on balance, tighter lending standards for commercial and industrial (C&I) loans to firms of all sizes. Meanwhile, banks reported stronger demand for C&I loans to large and middle-market firms and basically unchanged demand for C&I loans to small firms on net. Furthermore, banks reported generally unchanged standards and stronger demand for commercial real estate (CRE) loans.</p> <p>For loans to households, banks reported, on balance, basically unchanged lending standards and weaker demand across most categories of residential real estate (RRE) loans. In addition, standards reportedly eased for auto loans and remained basically unchanged for credit card and other consumer loans, while demand weakened for auto and other consumer loans but remained basically unchanged for credit card loans.</p> <p>The January SLOOS included a set of special questions inquiring about banks' expectations for changes in lending standards, borrower demand, and loan performance over 2026. Banks reported expecting lending standards generally to remain unchanged and demand to strengthen across all loan categories. In addition, banks reported expecting loan quality to remain around current levels for C&I loans to large and middle-market firms but to deteriorate for C&I loans to small firms; to improve for CRE loans; and to deteriorate for RRE and most consumer loan categories.</p> <p>A second set of special questions queried banks about their likelihood of approving loans to firms with various levels of exposure to artificial intelligence (AI) in comparison to the beginning of 2025 and their assessment of the impact of AI on selected industries. Banks reported, on net, being more likely to approve loans to firms benefiting from high AI exposure and less likely to approve loans to firms adversely affected by high AI exposure. The likelihood of C&I loan approval to firms with little AI exposure was reportedly unchanged. Regarding the impact of AI on different</p> <p><i>Comment: The special questions about AI in lending are very interesting and worth reading. We all know that AI is not going away, and some industries will fare better than others when adapting to the new landscape.</i></p>
--	---

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.

12.17.2025	<p>FDIC Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is soliciting comments on a proposal that would establish procedures to be followed by an insured State nonmember bank or State savings association (each, an FDIC-supervised institution) that seeks to obtain FDIC approval to issue payment stablecoins through a subsidiary pursuant to the Guiding</p>
------------	---

and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). **DATES: Comments must be received by the FDIC no later than May 18, 2026.**

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 March 9, 2026.**