Community Bankers of Michigan Regulatory Dispatch

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Timely news and resources community bankers can use

CFPB Releases 2026 Regulatory Agenda Detailing Planned Rulemakings - Troutman Pepper Locke

On July 6, the Consumer Financial Protection Bureau (CFPB or Bureau) released its 2026 regulatory agenda, outlining its planned rulemaking initiatives across the pre-rule, proposed rule, and final rule stages. The agenda reflects the Bureau's continued shift under the current administration toward deregulation, regulatory streamlining, and reconsideration of rules issued under prior leadership.

The CFPB releases regulatory agendas twice a year in voluntary conjunction with a broader initiative led by the Office of Management and Budget to publish a Unified Agenda of Regulatory and Deregulatory Actions across the federal government. The Bureau's 2026 regulatory agenda is actually the Fall 2025 agenda, which was delayed, and some of the actions described are no longer current, as explained below.

Our Take

The CFPB's 2026 agenda signals an active rulemaking period ahead, despite limited staffing, and continues a trend that has been building since the start of the current administration: a sustained and deliberate shift toward deregulation, regulatory reconsideration, and reduced supervisory reach. Most of the items represent reconsideration of an existing rule issued under the prior administration, rather than a new regulatory undertaking. The designation of multiple agenda items as deregulatory under Executive Order 14192 makes the Bureau's direction explicit.

At the same time, the agenda is not purely subtractive. The Bureau is moving forward with rulemakings that clarify its own procedural standards, including proposed rules on guidance document procedures and periodic regulatory review — steps that could ultimately constrain how future administrations use the Bureau's rulemaking and supervisory tools.

Comment: Although nonbinding and subject to change, the 'Agenda' identifies the rulemaking actions the Bureau currently expects to pursue. The Bureau plans to use those actions to revisit rules issued in recent years, implement judicial decisions, and make targeted revisions to the federal consumer financial services regulatory framework where notice-and-comment rulemaking is required

Bank Management

Joint Agencies Issue Joint Statement on Handling of Highly Sensitive Information During Bank Examinations (07/16/2026) – WASHINGTON—The federal bank regulatory agencies issued a joint statement describing enhanced security procedures for review of highly sensitive information in connection with examinations of supervised banks, such as reviewing materials on-site rather than transferring them onto agency systems.

The statement discusses a coordinated approach to identifying highly sensitive data and documents and discusses enhanced procedures for the review of such information to reduce any cybersecurity risks while ensuring that the agencies have access to such information at all times during an examination.

The agencies recognize the importance of keeping a bank's highly sensitive information confidential and protecting it against disclosure to or from access by unauthorized persons as a result of cybersecurity vulnerabilities. The agencies have committed to notify affected banks of any potential or confirmed material data breach involving confidential supervisory information. They will do so as soon as practicable, and no later than 72 hours after discovery, unless legal restrictions apply.

Attachment(s)
Joint Statement on the Handling of Highly Sensitive Information During Examinations (PDF)

Comment: The joint policy relies on bank management to proactively flag data with heightened disclosure risk. It applies universally to all supervised entities, explicitly including community banks.

FRB Beige Book - July 2026 (07/15/2026) – National Summary –

Overall Economic Activity
Economic activity increased at a slight to moderate pace in eleven of twelve Federal Reserve Districts in late May and June, while one District reported no change. The pace of growth was quite close to that of last period, when activity expanded in ten Districts, was flat in one, and down in one. Consumer spending edged up as higher prices, particularly for fuel, dampened sales in other categories. Several Districts noted declines in spending on discretionary items or trading down to more affordable varieties. Tourism was up, with

	some Districts receiving a boost from World Cup visitors. Auto dealers reported little change in sales, but spending on repairs grew as consumers held onto vehicles for longer. Agricultural conditions deteriorated due to lower commodity prices, higher input costs, and tighter credit. In the energy sector, oil and gas drilling increased. Manufacturing production grew modestly to moderately in most Districts, led by stronger orders from the data center, machinery, and defense sectors. Manufacturers in several Districts said supply chain issues were more common. Construction and real estate activity increased slightly overall, with several Districts noting growth in data center building. Financial conditions were stable on net, and commercial and consumer loan volumes were both up modestly. Commercial loan quality was stable, but consumer loan quality ticked down. Transportation activity increased modestly amidst ongoing supply chain changes related to higher tariffs and the conflict in the Middle East. Overall, activity in other service industries also was up modestly, with Districts highlighting growth in health care and professional services. Social service providers were adjusting to funding declines while demand for basic supports—housing, food, health care—remained high. Contacts generally expected the economy to continue to expand in the coming months, but several Districts noted elevated uncertainty in the outlook for fuel costs. Labor Markets Employment rose on balance, with five Districts showing modest, moderate, or solid gains in employment, and with seven Districts experiencing little to no change. In the previous report, only one District had modest, moderate, or solid employment gains. Employment rose in a variety of industries, including manufacturing, construction, and retail. Skilled workers were difficult to find in a range of fields, notably technicians and tradespeople. Though there were reports of lower employment in a couple of Districts, the declines were small. Wage growth was modest to moderate in most Districts, though two saw only slight wage increases. Some wage increases were attributed to increased competition for skilled workers. A few Districts noted that firms had increased their usage of AI, either in the hiring and screening of potential employees or to boost worker productivity. Prices Prices increased moderately overall, with nine Districts reporting moderate growth, two robust growth, and one slight growth; compared with the last reporting period, price growth was the same or slower in all Districts. Non-labor input costs increased for a variety of industries—including services, construction, and manufacturing—and reflected in part higher costs for energy, transportation, and raw materials. Some contacts tied these cost increases to the conflict in the Middle East; others mentioned tariffs. Consumer prices continued to rise, and a few Districts said contacts saw greater price sensitivity among their customers. A couple of Districts reported that selling prices grew less than input costs over the period, crimping margins. Expectations for price growth over the coming months varied across Districts, with contacts in some expecting inflation to continue at its current pace, while contacts in others expected inflation to slow, in part due to falling fuel prices.
	CSBS In the Loop Episode 1 | The Future of State Supervision with Bo Fears and Brandon Milhorn (07/15/2026) – The state examination landscape is evolving rapidly, driven by technology, consumer expectations, and multi-state supervision challenges.

In this episode of *In the Loop*, hosts Kareeme Tucker and Derek Storms sit down with Bo Fears, Commissioner of the Georgia Department of Banking and Finance, and Brandon Milhorn, President and CEO of CSBS, to explore the future of state supervision. Bo and Brandon share insights on risk-focused exams, network supervision, and the critical role of technology in empowering examiners to supervise at the speed of business while protecting consumers.

In this episode, you'll learn:

- How state supervisors are leveraging technology to streamline multi-state exams
- Practical strategies for fostering innovation while maintaining safety and soundness
- Key lessons for examiners navigating the evolving regulatory landscape

Comment: Worth a listen!

CSBS Community Bankers Continue Rosy Outlook Despite Concerns (07/13/2026) – **Washington, D.C.** – Community bankers nationwide remain broadly optimistic about future economic conditions at the year's midpoint, according to the Conference of State Bank Supervisors' (CSBS) latest quarterly poll. The second quarter 2026 Community Bank Sentiment Index (CBSI) registered 129, down slightly from 131 in the previous quarter and four points below the record high of 133 reached in late 2025.

Despite the modest decline, the index remains firmly in positive territory. The profitability indicator notably returned to its peak level and continued to signal higher future profitability. However, the results showed a continued decline in the momentary policy and regulatory burden indicators.

"The results suggest that regulatory conditions might not be easing as much as last quarter's survey indicated, and bankers have a slightly pessimistic outlook regarding the future impact of monetary policies. Their primary concerns center on the potential negative macroeconomic outcomes that might arise from geopolitical uncertainties due to the ongoing war in Iran," said CSBS Chief Economist Tom Siems. "Even so they remain optimistic that for the foreseeable future, their loan portfolios in their local economies will lead to higher profitability."

The CBSI surveys community bankers nationwide in the final month of each quarter to gauge their views on future economic conditions across seven areas. A reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment.

For the fourth consecutive survey, community bankers identified cyberattacks, bank fraud, competition, labor cost and availability, and the federal debt/deficit, as their top concerns. In open-ended comments, community bankers cited concerns about deposit competition, regulations that disproportionately impact smaller banks and businesses, monetary policy uncertainty, and federal government deficit spending.

	Comment: 'At 113, the regulatory burden component fell nine points from last quarter and is down from its peak level of 130 reached nine months ago. Community bankers still foresee a more tailored regulatory environment in the coming year, but their optimism has faded somewhat. The regulatory burden indicator has remained at or above 100 for seven straight quarters, following fifteen consecutive quarters—from early 2021 to late 2024—when the indicator was consistently below 30 and indicated, at that time, a much heavier regulatory burden expected.'

BSA / AML

	No news to report this week.

Deposit / Retail Operations

	FDIC GENIUS Act: Proposed Reporting Forms and Instructions for FDIC-Supervised Permitted Payment Stablecoin Issuers (07/17/2026) – Summary: On April 10, 2026, as part of a proposed rule that would implement requirements under the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, the Federal Deposit Insurance Corporation (FDIC) proposed a new information collection that would include weekly and quarterly reporting forms that must be completed by FDIC-supervised permitted payment stablecoin issuers (PPSI). This Financial Institution Letter (FIL) provides notice of the forms and instructions in support of the proposal. Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions. Distribution: FDIC-Supervised Financial Institutions. Read the FIL ***Comment: Very similar to the OCC's proposed reporting, the framework will feature mandatory weekly and quarterly filing forms for stablecoin issuers.***

Human Resources

	No news to report this week.

Lending

	FFIEC 2026 Census Flat File Released (07/17/2026) – The FFIEC released the 2026 Census flat file. The FFIEC Census Online and FFIEC Geocoding and Mapping System were also updated for 2026.

Comment: "The FFIEC Census flat files are a convenient method of accessing and analyzing the FFIEC census data that are used to create the HMDA and CRA Aggregate and Disclosure Reports. They contain over 1,000 fields of census data and are updated annually to reflect changes to MSA/MD boundaries announced by the Office of Management and Budget (OMB) and CRA Distressed/Underserved Census Tracts as announced by the Federal banking regulatory agencies."

OCC Allowances for Credit Losses: Revised Comptroller's Handbook Booklet and Rescissions (07/16/2026) – Summary - The Office of the Comptroller of the Currency (OCC) issued version 2.0 of the "Allowances for Credit Losses" booklet of the *Comptroller's Handbook*. The booklet provides information for examiners regarding allowances for credit losses (ACL) under Accounting Standards Codification (ASC) Topic 326, "Financial Instruments—Credit Losses."

Rescissions

The following are rescinded with the issuance of this booklet:

- Version 1.0 of the "Allowances for Credit Losses" booklet of the *Comptroller's Handbook*.
- OCC Bulletin 2021-20, "Allowances for Credit Losses: New Comptroller's Handbook Booklet," which transmitted version 1.0 of this booklet.
- The "Allowance for Loan and Lease Losses" booklet of the *Comptroller's Handbook*.
- The July 1996 cover letter that transmitted the "Allowance for Loan and Lease Losses" booklet.

Note for Community Banks

This booklet provides information to inform and educate examiners about ACLs in banks[1] of all sizes with emphasis on ranges of practices for varying sizes, complexities, and risk profiles. Examiners determine which expanded procedures to use, if any, based on risk.

Highlights

The revised booklet

- reflects that the adoption date of the current expected credit losses methodology under ASC Topic 326 has passed for all banks.
- reflects the April 2023 revisions to the "Interagency Policy Statement on Allowances for Credit Losses."
- reflects changes that have occurred since April 2021, such as amendments to U.S. generally accepted accounting principles, new and rescinded OCC and interagency issuances, changes in regulations, and changes in the OCC's organizational structure.
- includes other updates for general clarity or context.

Background

The *Comptroller's Handbook* is designed to

- inform and educate examiners about the subject matter reviewed—including associated risks and appropriate risk management practices.

	- guide examiners in performing consistent, high-quality, professional bank supervision across the spectrum of OCC-supervised banks. - provide examiners with the information necessary to plan and coordinate examinations, identify concerns, and conduct appropriate follow-up. This booklet is designed for use by examiners and is made available to the public to provide transparency into the OCC's supervisory process. Refer to the "Foreword" booklet of the *Comptroller's Handbook* for more information about the *Comptroller's Handbook* generally.
	Joint Agencies Issue Guidance on Lending to Individuals Not Legally Authorized to Work in the United States (07/13/2026) – WASHINGTON—The Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration (collectively, the agencies) issued guidance to remind supervised financial institutions of their existing obligations with respect to credit risk management, particularly as it relates to borrowers who are not legally authorized to work in the United States. As the guidance discusses, lending to individuals who are not legally authorized to work in the United States may present elevated credit risk because a borrower's ability to generate income, maintain employment, and remain financially stable may be subject to greater uncertainty. Among other things, the guidance advises financial institutions to identify, measure, monitor, and control these risks through safe and sound underwriting practices that assess a borrower's willingness and capacity to repay according to the terms of the credit obligation. This guidance also advises financial institutions to carefully consider the June 8, 2026, "Statement on Ability To Repay and Immigration Status," issued by the Consumer Financial Protection Bureau, reminding creditors of their obligations under the Truth in Lending Act as implemented by Regulation Z, and the Equal Credit Opportunity Act, as implemented by Regulation B, as they relate to non-work authorized borrowers. The agencies issued the guidance in accordance with Executive Order 14406, "Restoring Integrity to America's Financial System," to address risks to the financial system posed by the extension of credit or financial services to the inadmissible and removable population. Attachment(s) Guidance on Lending to Individuals Not Legally Authorized to Work in the United States (PDF) ***Comment: The guidance reflects the current administration's broader policy emphasis on incorporating immigration-related considerations into federal financial regulation. While they impose no new regulatory requirements, they clearly signal that the FDIC and OCC expect banks – including community banks - to consider whether a borrower's lack of work authorization affects traditional credit risk factors, including income stability, repayment capacity, collateral recovery, and portfolio concentrations.***

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.

07.17.2026 **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 [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

07.09.2026 **CFPB** Request for Information Regarding Promoting Access to Mortgage Credit **SUMMARY:** This notice requests information from the public about potential regulatory changes that may reduce regulatory burdens and promote access to mortgage credit, as appropriate and consistent with applicable law. The Consumer Financial Protection Bureau (Bureau or CFPB) seeks to reduce unwarranted regulatory burdens to ensure that creditworthy borrowers can access mortgage credit. Specifically, the CFPB is requesting information on industry and consumer burdens related to the integrated mortgage disclosures under the Truth in Lending Act (TILA) and Real Estate Settlement Procedures Act (RESPA) (TILA-RESPA integrated disclosures or TRID), the right of rescission, and reverse mortgage disclosures. **DATES: Comments must be received on or before August 10, 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.**

06.11.2026 **OCC** GENIUS Act: Reporting Forms and Instructions for Permitted Payment Stablecoin Issuers Subject to the Jurisdiction of the Office of the Comptroller of the Currency

SUMMARY: The Office of the Comptroller of the Currency (OCC) is proposing a new information collection that would include weekly and quarterly reporting forms that must be completed by permitted payment stablecoin issuers and foreign payment stablecoin issuers registered with the OCC under the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act. **Comments are requested on these forms by August 11, 2026.**

05.20.2026 **FRB** Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests **SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is issuing a notice and request for comment on proposed revisions to the Federal Reserve Policy on Payment System Risk (PSR Policy), including the proposed addition of a new Part IV, to accommodate the provision by Reserve Banks of special-purpose accounts that would clear and settle certain payment activity (Payment Accounts). The Board is also proposing updates to its guidelines for Federal Reserve Banks (Reserve Banks) to utilize in evaluating requests for access to Reserve Bank account and services (Account Access Guidelines or Guidelines) to accommodate requests for access to Payment Accounts. Finally, the Board is encouraging Reserve Banks to pause decisions on requests for Reserve Bank accounts and services from institutions that are Tier 3 under the Account Access Guidelines until the Board has completed its policy development process on the Payment Account proposal. **DATE: Comments must be received on or before July 27, 2026.**