



Community Bankers of Michigan Regulatory Dispatch

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Timely news and resources community bankers can use

Following the Money: The Financial Implications of Medical Marijuana Rescheduling — Uplisting Arrives, Banking Lags

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Banking: The Guidance That Still Hasn't Come

The banking story is moving more slowly. The core point hasn't changed: The federal money laundering statutes have not been amended, and Schedule III status reduces the risk to financial institutions without eliminating it. A controlled substance is still a controlled substance.

The single most consequential update on the banking side isn't really a banking measure at all — it's tax. Treasury and the IRS announced that they plan to issue guidance on the tax consequences of the final order, acknowledging that rescheduling carries significant positive tax consequences for the medical marijuana industry. With Section 280E no longer disallowing ordinary deductions for state-licensed medical operators, those businesses become dramatically more creditworthy borrowers: cash flow improves, financial statements normalize, and underwriting gets simpler. The final order even encouraged Treasury to consider retrospective 280E relief, though nothing on that front is settled. Better-looking borrowers are, indirectly, the most tangible banking benefit rescheduling has delivered so far.

What hasn't arrived is the thing banks actually told us they were waiting for: updated FinCEN guidance built for the Schedule III world. The 2014 FinCEN framework — the Cole Memo-era guidance, with its Marijuana Limited, Marijuana Priority, and Marijuana Termination SAR categories — technically remains in full effect. It was constructed around the assumption that all marijuana commerce was inherently suspect because the substance sat on Schedule I. That premise no longer describes qualifying medical activity, yet the guidance still governs, and banks are still filing cannabis-specific SARs and running enhanced due diligence accordingly. Until FinCEN updates that framework, many compliance officers will keep waiting before meaningfully expanding cannabis banking services.

And the legislative safe harbor still isn't there. The SAFE/SAFER Banking Act has not passed Congress, and rescheduling is not a substitute for it. A separate bill, the CLIMB Act, was reintroduced in March 2026, and would, among other things, create a safe harbor in the Securities Exchange Act for national exchanges listing cannabis-related businesses — which would address the uplisting question more directly than rescheduling alone. But "introduced" and "enacted" are very different words.

Comment: The reclassification of state-licensed medical marijuana to a Schedule III drug lowers risk assessments for community banks, but it does not automatically legalize cannabis or grant full federal safe harbor. Banks must continue strict Bank Secrecy Act (BSA) compliance and file required Suspicious Activity Reports (SARs) under legacy FinCEN guidance.

CBM Insights

Q: We had a customer that was recently scammed. The fraudster had her transfer money from our bank to a large national bank where an account was supposedly set up for her (under her name). Does that large bank have any liability if they accepted a wire where the name did not match? Which brings up another question... would we have liability if we accepted a wire where the account numbers matched, but not the name?

A: Sometimes the less you 'know' the better.

Specifically, look at Regulation J (excerpt below). Note the underlined passages added for emphasis.

§ 210.27 Reliance on identifying number.

(a) Reliance by a Federal Reserve Bank on number to identify an intermediary bank or beneficiary's bank. A Federal Reserve Bank may rely on the number in a payment order that identifies the intermediary bank or beneficiary's bank, even if it identifies a bank different from the bank identified by name in the payment order, if the Federal Reserve Bank does not know of such an inconsistency in identification. A Federal Reserve Bank has no duty to detect any such inconsistency in identification.

(b) Reliance by a Federal Reserve Bank on number to identify beneficiary. A Federal Reserve Bank, acting as a beneficiary's bank, may rely on the number in a payment order that identifies the beneficiary, even if it identifies a person different from the person identified by name in the payment order, if the Federal Reserve Bank does not know of such an inconsistency in identification. A Federal Reserve Bank has no duty to detect any such inconsistency in identification.

Source [link](#).

Bank Management

CSBS [Agencies' Capital Proposals Much Advanced but Warrant Further Improvements](#) (06/18/2026) – Washington, D.C. – In a [comment letter](#), the Conference of State Bank Supervisors (CSBS) recommended additional measures that the federal banking agencies should take to provide community banks with a simplified regulatory capital framework as they revise the risk-based capital rules.

CSBS supports the proposal's goal of enhancing the risk sensitivity, consistency, and transparency of the risk-based capital framework. However, important adjustments to the proposals are necessary to promote a level playing field between large and small banking organizations.

CSBS recommends that the agencies:

- Increase the number of community banks eligible for the Community Bank Leverage Ratio framework,
- Adopt the proposed capital treatment of mortgage exposures and mortgage servicing assets,
- Maintain the current treatment of unused credit commitments with a maturity less than one year rather than increasing the credit conversion factor for these exposures,
- Allow smaller banks to avail themselves of the expanded risk-based approach's favorable capital treatment of investment grade corporate exposures,
- Index dollar-based thresholds to keep pace with inflation and economic growth, and
- Ensure equal capital treatment of exposures to state-chartered trusts and national trust companies.

Read CSBS statements and comments on Capital Standards

- Podcast: [Inside the Debate on Capital Standards and Community Bank Competitiveness with the Federal Reserve Board](#)

Comment: The bottom line is that the CSBS agrees with the goal of making these capital rules safer and more transparent. However, they also have concern that the current plan creates an unfair playing field that hurts smaller, community banks.

OCC [Filing Decision Process](#) (06/17/2026) – Summary: The Office of the Comptroller of the Currency is issuing this bulletin to clarify the standards for its decisions on filings.

Note for Community Banks

The OCC’s regulation on filing decisions applies to all community banks.

OCC filing decisions are governed by 12 CFR 5.13. As stated in the regulation, the OCC may approve, conditionally approve or deny a filing. In addition, the OCC may return a filing as materially deficient where it lacks sufficient information for the OCC to make a determination under the applicable statutory or regulatory criteria. This communication is to remind the public that the OCC strictly adheres to the regulation and to explain how the OCC implements it, which aligns with the agency’s historical practices.

The OCC is committed to acting on all filings in a timely manner appropriate to the nature and complexity of the filing. However, the OCC may return a filing without a decision if it finds the filing to be materially deficient. In that respect, it is paramount that filings contain all information necessary for the OCC to evaluate the filing as part of the initial submission. Otherwise, the OCC will return a materially deficient filing before engaging in any meaningful processing of the filing. This includes the failure to furnish required biographical and financial information of individuals and corporate background and financial report for entities, as well as any required information requested by the filing form. In addition, the OCC may return a filing as materially deficient if, after attempting to have the filer furnish all required information for the OCC to assess the statutory or regulatory criteria through an additional information request, the responses do not sufficiently respond to the requests. This includes where the organizers of a *de novo* charter have not demonstrated that all products and services have been defined with particularity, including how they will be operationalized, or have not fully defined the associated governance, risk management, and compliance management infrastructure to manage these products and services.

The OCC approves a filing when it finds the filer has favorably met the appropriate statutory, regulatory and policy criteria related to the filing type. Where appropriate, the OCC will condition an approval to ensure the filer will operate in a safe and sound manner, consistent with OCC policy, and comply with applicable laws and regulations.

When the OCC finds a significant supervisory, Community Reinvestment Act (if applicable), or compliance concern exists with respect to the filer, approval is inconsistent with law, regulation, or OCC policy, or the filer fails to provide requested information, the agency plans to deny the filing. A filing is inconsistent with law or regulation if it does not meet the applicable statutory or regulatory criteria for that filing type.

Under the regulation, if the OCC denies a filing, the OCC must notify the filer in writing of the reasons for the denial. In addition, the OCC plans to make all denial decisions public in order to provide the industry and all applicable stakeholders awareness of how the OCC has applied the decision criteria in that proposal. The denial of an application does not prohibit the applicant from filing a subsequent application. Ultimately, it is important that the public understand how filings are decided under applicable laws, regulations, and policy.

Joint [Notice of Proposed Rulemaking: Permitted Payment Stablecoin Issuer Customer Identification Program](#) (06/18/2026) – Summary: The FDIC, along with the Board of Governors of the Federal Reserve System (Board), the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUA), and the Financial Crimes Enforcement Network (FinCEN), approved a notice of proposed rulemaking (NPR) that would implement the directives pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act to treat permitted payment stablecoin issuers (PPSIs) as financial institutions under the Bank Secrecy Act and to require PPSIs to maintain an effective customer identification program (CIP).

Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions.

Highlights:

- Consistent with CIP obligations for other types of financial institutions, the NPR would establish the minimum standards for a PPSI's CIP, including developing a written program tailored to the PPSI's size and business, risk-based procedures for verifying the identity of each customer, and procedures to address when a potential or existing customer's identity cannot be verified.
- Because FDIC-supervised PPSIs will be subsidiaries of parent insured depository institutions (IDIs) with CIP requirements, a PPSI and its parent IDI would generally be able to coordinate compliance practices and share compliance resources. The PPSI, as part of the institution as a whole, would be permitted to leverage the parent's CIP program, so long as the comprehensive program is reasonably designed to identify and mitigate the risks posed by the different aspects of each entity's business and activities and satisfies each of the requirements to which the PPSI and parent are subject.
- Under the NPR, the PPSI would also be permitted to develop procedures specifying when the PPSI may rely on another federally regulated financial institution's performance of the CIP procedures for the PPSI's customer. Such reliance would be permissible if three requirements are met: (1) the reliance is reasonable under the circumstances, (2) the other financial institution is subject to an AML/CFT program with CIP requirements and regulated by a Federal functional regulator, and (3) the other financial institution has a contractual obligation to annually certify to the PPSI that it has implemented an AML/CFT program and will perform (or its agent will perform) the specified requirements of the PPSI's CIP.
- Comments on the NPR will be accepted for 60 days after publication in the *Federal Register*.

FIL-29-2026

Attachment(s)

[Notice of Proposed Rulemaking: Permitted Payment Stablecoin Issuer Customer Identification Program](#)

Comment: If finalized, the proposed rule would require 'PPSIs' to maintain a written, risk-based CIP as part of their AML/CFT program, collect specified identifying information before opening an account, verify customer identity within a reasonable time before or after account opening, maintain related records, screen against any government lists designated for CIP purposes, provide customer notice, and permit limited reliance on other federally regulated financial institutions. The proposal also reflects the Agencies' attempt to tailor bank-style CIP concepts to a stablecoin ecosystem without imposing a global identity-verification obligation on every holder or secondary market user of a payment stablecoin.

Deposit / Retail Operations

FTC [How to avoid a travel scam this summer](#) (06/17/2026) – Summer is here! If you haven't made your vacation plans yet, you might be looking for a deal. While you look for bargains, scammers are looking for ways to reach you...and your money. Here are some things to know to help you avoid travel scams.

Travel scams can crop up when you're [searching online](#) for hotels or flights. Scammers sometimes use paid ads and put their number alongside a well-known company's name, or link to a website that only looks like it belongs to a hotel brand or airline. To avoid these scammers, scroll to the unpaid search results and check that you have the right website or contact info for the business you're looking for. Or better yet, type the company's website directly into the browser, if you know it.

Scammers have driving vacations covered, too, sending texts about fake "unpaid tolls" and demanding immediate payment. If you're not sure that text is real, reach out to the state's toll agency using a phone number or website you know is right — not the info from the text.

Here are some other ways to avoid travel scams:

- **Get all the details of a travel offer before you commit.** If the organizer can't or won't give you more specific details (other than saying "you'll stay at a 'five-star' resort"), walk away.
- **Do some research.** Look up the names of travel companies, hotels, rentals, and agents with the words "scam," "review," or "complaint." See [what others say](#) about them before you commit.
- **Look at how they ask you to pay.** Only scammers say the only way to pay is by [wire transfer](#), [gift card](#), [payment app](#), or [cryptocurrency](#). They prefer these methods because, once they've collected the money, it's almost impossible to get it back.

Learn more at ftc.gov/TravelScams. Spot a scam? Tell the FTC at ReportFraud.ftc.gov.

Comment: Continue to find ways to share these fraud alerts with account holders and staff to help spot fraud.

Human Resources

No news to report this week.

Lending

No news to report this week.

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.

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 within 60 days of publication of the information collection in the Federal Register.**

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.**