



CBM Regulatory Dispatch

November 12, 2025

Timely news and resources community bankers can use

CSBS Tokenized Deposit Guidance and Robust Stablecoin Rules Must Be Issued in Tandem

Washington, D.C. – In separate letters to the U.S. Treasury Department and the federal banking agencies, CSBS outlined important policy considerations to foster a national regulatory framework for stablecoins and tokenized deposits that protects consumers, promotes financial stability, and provides a level playing field for traditional financial institutions and new payment stablecoin issuers.

“Stablecoin and tokenized deposit efforts should proceed in tandem,” said CSBS President and CEO Brandon Milhorn. “All financial institutions that choose to innovate – from community banks to stablecoin issuers – should have the benefit of regulatory clarity so they can bring responsible blockchain-based financial products to market.”

[CSBS’s letter to Treasury](#) provides a blueprint for achieving the GENIUS Act’s vision of a robust state-federal regulatory framework that facilitates a dynamic and resilient stablecoin market in the United States. Importantly, the CSBS comments:

- Reinforce that the GENIUS Act’s “substantial similarity” standard creates a federal floor, not a requirement for nationwide uniformity;
- Encourage Treasury to maintain vital flexibility that allows issuers to choose between federal and state frameworks based on their organizational structures and business strategy; and,
- Argue for strict compliance with GENIUS Act limitations on financial activities by payment stablecoin issuers, along with robust capital and resolution planning requirements and federal rules that prevent evasion of the “interest” and “yield” prohibitions in the GENIUS Act.

[Separately](#), CSBS urged the FDIC, Federal Reserve, and OCC to work with state supervisors to provide regulatory and supervisory clarity for tokenized deposit activities at traditional banks. State supervisors charter and supervise 79% of the nation’s banks, ranging from community banks to global financial institutions. They also regulate, license, and supervise consumer-facing financial services firms, including money transmitters. For more than a decade, states have regulated and supervised state-licensed payment stablecoin issuers, whether as money transmitters or under specifically constructed regulatory regimes.

Comment: CBM will continue to follow and share through a variety of methods to keep bankers informed.

Bank Management

	CSBS Podcast State of the System (11/06/2025) – In this episode, you’ll learn: • How market conditions influence bank growth and strategic direction • What recent regulatory experiences reveal about efficiency and oversight • Where innovation and supervision can align to strengthen community banking Timestamps: (00:00) Introduction (02:49) How panelists chose their paths to buy, sell, or create (05:14) What redefining a century-old community bank looks like (06:44) Building a women-owned de novo bank in a competitive market (08:07) What regulators can learn from mergers and acquisitions (14:16) Launching a new bank after SVB and Signature failures (18:54) Why M&A approvals take too long for community banks (24:26) Redefining a century-old bank for modern customers and growth (31:50) Technology barriers every new and growing bank must overcome (36:55) Can AI and new cores transform small bank operations? (41:28) How to streamline regulation without sacrificing safety and trust (45:00) Why regulators and banks need shared sandboxes for innovation (51:34) Lessons every banker can learn from innovation and change <i>Comment: Informative PODCAST to share with appropriate staff.</i>
	Challenger, Grey & Christmas October Challenger Report (11/06/2025) – U.S.-based employers announced 153,074 job cuts in October, up 175% from the 55,597 cuts announced in October 2024. It is up 183% from the 54,064 job cuts announced one month prior, according to a report released Thursday from global outplacement and executive coaching firm Challenger, Gray & Christmas. “October’s pace of job cutting was much higher than average for the month. Some industries are correcting after the hiring boom of the pandemic, but this comes as AI adoption, softening consumer and corporate spending, and rising costs drive belt-tightening and hiring freezes. Those laid off now are finding it harder to quickly secure new roles, which could further loosen the labor market,” said Andy Challenger, workplace expert and chief revenue officer for Challenger, Gray & Christmas. Through October, employers have announced 1,099,500 job cuts, an increase of 65% from the 664,839 announced in the first ten months of last year. It is up 44% from the 761,358 cuts announced in all of 2024. Year-to-date job cuts are at the highest level since 2020 when 2,304,755 cuts were announced through October. <i>Comment: CBM will keep watchful eye-especially surrounding impacts of AI, both positive and negative.</i>
	Troutman Pepper Locke OCC Comptroller Gould Signals a Multifaceted Push to Reinforce Federal Preemption (01/24/2025) – At The Clearing House Annual Conference, Comptroller of the Currency Jonathan Gould outlined an agency-wide strategy to defend and promote federal preemption across the banking system. As reported by Law360, he emphasized pairing court advocacy with public- and policymaker-facing engagement to rebuild political support that he said has eroded over the past 15 years. Federal preemption is the legal doctrine under which federal laws displace or override state laws. Most notably, the National Bank Act preempts many state laws for national banks. Gould stressed that

preemption benefits are not limited to national banks. They also extend to state-chartered banks and other federally regulated institutions through interest-rate exportation and parity laws, such as the Federal Deposit Insurance Act (FDIA). He previewed several prongs of the OCC's approach: continuing to file amicus briefs in key cases, consulting with Treasury, exploring updated preemption regulations for the first time since post-crisis reforms, and stepping up outreach to Congress and state regulators. He urged other agencies and banks of all sizes to speak up in support of preemption, noting that durable legal parameters flow from sustained political legitimacy. He acknowledged post-crisis reforms that narrowed national bank preemption and ongoing debate in the courts, including recent decisions that some view as trending toward a tighter preemption standard.

Why this matters

- Regulatory clarity: Renewed agency guidance and amicus activity could shape how courts apply preemption to state laws touching payments, fees, escrow interest, and product terms.
- National operating models: Stronger, clearer preemption can reduce fragmentation for multi-state product offerings and compliance programs.
- Stakeholder engagement: Expect closer coordination among federal regulators and more dialogue with state counterparts and Congress.

What to watch

- Whether the OCC proposes new preemption regulations, specifically:
 - How they frame the "significant interference" analysis in practice; and
 - Whether they clarify the "valid when made" doctrine overcomes "true lender" claims.
- The agency's next wave of amicus briefs and the types of state-law challenges it prioritizes.
- Signals from other federal banking agencies and industry coalitions echoing the OCC's message.
- Any action from Congress on amending the FDIA to shore up its preemptive force as currently supported by case law and regulations.

FRB [AI and the Economy](#) - Vice Chair Philip N. Jefferson (11/07/2025) – Implications on monetary policy -

So, what do these still-developing labor and price effects mean for monetary policy? The short answer is that it is likely still too soon to tell. As always, policymakers confront the challenge of sorting out changes in the economy that are due to cyclical factors from those resulting from structural change, which AI may well represent. Some of the recent changes in hiring patterns, productivity growth, and inflation are likely to represent AI-driven change, but it is difficult to know the degree.

Productivity gains from AI may affect the relationship between employment and inflation and hence the conduct of monetary policy. For example, a productivity-induced boost to the growth rate of potential output could imply that monetary policy will not need to react strongly to what would have previously been perceived as tightness in the labor market.

The uncertain implications of AI for employment and inflation could take some time to filter broadly through economy. Also, AI's effects will likely vary across different industries and regions of both the U.S. and the world. And monetary policy decisions need to be made with a broad view of what is happening in the economy, not just in one sector or technology. There is still much to learn. I counsel exercising humility about the challenges in predicting AI's effects on employment and inflation. Policymakers, businesses, and individuals should remain flexible and prepared to adapt as the effects of AI continue to unfold.

Economic Outlook

Now having discussed the policy implications of AI, I would like to briefly update you about my current outlook for the U.S. economy. While federal statistical agencies are largely not producing data during the government shutdown, data available from other sources suggest that the overall economic picture in the U.S. has not changed much over the past few months. The economy has been growing at a moderate pace while labor market conditions appear to be consistent with a gradually cooling. Inflation is running at a rate

similar to that of a year ago. The lack of progress on headline inflation appears to be due to tariff effects, with signs that underlying inflation may be continuing to make progress to 2 percent. Market-based long-term inflation expectations continue to be well-anchored. I remain firmly committed to returning inflation to the Fed's 2 percent target.

I supported last week's decision to reduce our policy rate by a quarter percentage point. That step was appropriate because I see the balance of risks as having shifted in recent months as downside risks to employment have increased. The current policy stance is still somewhat restrictive, but we have moved it closer to its neutral level that neither restricts nor stimulates the economy. Given this, it makes sense to proceed slowly as we approach the neutral rate.

With respect to the path of the policy rate going forward, I will continue to determine policy based on the incoming data, the evolving outlook, and the balance of risks. I always take a meeting-by-meeting approach. This approach is especially prudent because it is unclear how much official data we will have before our December meeting.

Before I turn to your questions, let me conclude by saying that this is an exciting time. It feels like we are at the dawn of a new age—an age your generation will shape and see come to its full maturity. By the end of your careers, many of you will take on tasks and accomplish feats you cannot even imagine at this moment, and AI technology may well be part of that progress..

Comment: AI will continue to make impacts in a number of ways. Be sure to share this information with your bank's AI designee or team.

BSA / AML

No news to report this week.

Deposit / Retail Operations

Bradley [What May Be Ahead In Debanking Enforcement](#) (11/06/2025) – Debanking-Related Consumer Complaints - One of the longer-term requirements from the executive order is for the federal banking regulators to "review their current supervisory and complaint data to identify any financial institution that has engaged in unlawful debanking on the basis of religion" within 180 days of Aug. 7. Banks should, therefore, conduct their own reviews of prior complaints to get ahead of inquiries and possible scrutiny regarding debanking-related complaints that may have been submitted in the recent past.

Some complaint data, such as data regarding complaints submitted through the CFPB's complaint portal, is publicly available and can shed light on areas of potential concern and perhaps on the type of data that banks and other financial institutions may have internally.

As of Nov. 4, a search of the CFPB's database for the word "debank" yielded 26 complaints where the consumer elected to have their complaint narrative be publicly viewable and the narrative contains some variation of the word "debank." These complaints were submitted between May 2024 and October 2025 and were directed at a variety of banks and nonbank financial institutions. Twenty-three of the 26 complaints were marked as being closed with explanation, with the remaining three being closed with nonmonetary relief.

Similarly, searching for the word "religion," then narrowing the results down to issues and sub-issues related to the opening and closing of accounts, also yields numerous instances where a consumer alleges being discriminated against in connection with a financial service or product. These are the types of

complaints that are likely to become the focus of federal banking regulators in the near future as they comply with Trump's executive order, and so, banks and other financial institutions would be well-served to get ahead of this now.

Banks should also expect that the frequency with which consumers submit debanking-related complaints is likely to increase with the topic gaining prominence under Trump's second administration.

A consumer complaint alleging that the consumer was the subject of politicized or unlawful debanking is likely to receive additional attention — both by the subject bank and by the bank's regulators — and so may become a buzzword that consumers use strategically. Banks and other financial institutions should, therefore, consider strategies for escalating, reviewing and responding to consumer complaints alleging politicized or unlawful debanking.

Comment: Interesting and insightful--pass on to ensure awareness.

Human Resources

No news to report this week.

Lending

No news to report this week.

Technology / Security

No news to report this week.

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.

10.06.2025 **OCC Fair Housing Home Loan Data System** SUMMARY: The Office of the Comptroller of the Currency (OCC) invites public comment on a notice of proposed rulemaking (proposed rule) to rescind its Fair Housing Home Loan Data System regulation codified at 12 CFR part 27. The OCC has determined that the regulation is obsolete and largely duplicative of and inconsistent with other legal authorities that require national banks to collect and retain certain information on applications for home loans. Moreover, part 27 imposes asymmetrical data collection requirements on national banks compared to their other depository institution counterparts, and the data collected has limited utility. For these reasons, rescinding the regulation would eliminate the regulatory burden attributable to part 27 for national banks without having a material impact on the availability of data necessary for the OCC to conduct its fair housing-related supervisory activities. **DATES: Comments must be received on or before December 5.**

10.05.2025 **Joint Unsafe or Unsound Practices, Matters Requiring Attention** SUMMARY: The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) propose to define the term “unsafe or unsound practice” for purposes of section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) and to revise the supervisory framework for the issuance of matters requiring attention and other supervisory communications. **DATES: Comments must be received by December 4.**