Community Bankers of Michigan Regulatory Dispatch

November 4, 2026

Timely news and resources community bankers can use

Comptroller Gould Discusses Efforts to Support Community Banks

WASHINGTON—Comptroller of the Currency Jonathan V. Gould discussed the Office of the Comptroller of the Currency's (OCC) work to help community banks thrive and remain dynamic as the financial industry evolves in remarks before the Ohio Bankers League. Excerpts from Comptroller Gould's remarks are below. His full remarks can be found here.

Ohio Community Banks
Throughout our nation's history, Ohio has played a pivotal role in shaping the American financial system. During the Civil War, an Ohio native, Salmon P. Chase, serving as President Lincoln's Treasury Secretary, helped build the national banking system.

Ohio communities are filled with banks that have persisted and thrived through years of change in the American financial system, consistently adapting to meet customer needs. The OCC supervises 65 Ohio institutions, representing $5.6 trillion in assets, ranging from some of the nation's largest banks to small community banks.

Two hours south of here is the First National Bank of McConnelsville, which opened its doors in 1863 — the same year the OCC was established. Founded with capital of $75,000, it is today the oldest national bank still operating under the same name and the same OCC charter.

Community Banks and the GENIUS Act
The OCC has made its position clear: Community banks have a role in the future of payments. Under the final rule, there is a pathway for interested community banks to explore issuing payment stablecoins through a subsidiary. And the requirements are meant to fit the size and risk of the issuer, not to be a one-size-fits-all compliance burden that only the biggest institutions can afford.

That is not just a promise on paper. The rule applies the same standards to bank and nonbank issuers, so community banks are not asked to compete on an uneven field.

Community Bank Comeback
The Trump Administration's Community Bank Comeback is working to right years of overregulation to help community banks thrive. Our focus has been to reduce and eliminate unnecessary regulatory burden, so community banks have more time to focus on what they do best, serving the financial needs of their customers, supporting their communities, and helping to drive local economic growth.

Related Links

- Comptroller Remarks (PDF)
- Community Bank Comeback

Comment: The OCC is touting erased duplicative reporting mandates like the Fair Housing Home Loan Data System regulation to trim down compliance paperwork; broadened fast-tracked, reduced filing procedures for basic community bank corporate actions and restructuring transaction; finalizing an interagency rule with the FDIC preventing bank examiners from cutting off legal business accounts based on personal assessments of "reputational risk"; and lowering the flat OCC assessment rates to directly shrink the statutory supervision fees pulled from smaller banks.

CBM Insights

Q: In light of recent news articles about "rouge AI agents" and banks, should we address the usage of AI tools and AI services within our disclosures and online banking agreement?

A: You probably should proactively evaluate and update your Regulation E disclosures, terms of service, and electronic banking agreements to address situations where consumers provide access credentials to AI tools, autonomous personal agents, or third-party web scrapers.

While Regulation E itself sets baseline federal standards for consumer liability that a bank cannot unilaterally eliminate, updating your disclosures and underlying account agreements is critical to mitigating risk, setting clear legal boundaries, and managing consumer expectations.

The regulation and commentary explain that when determining a consumer's liability under §1005.6, banks cannot:

- use the consumer's negligence (for example, writing the PIN on a debit card) as a reason for imposing greater liability than allowed under the regulation;
- impose greater liability on the consumer by agreement for unauthorized transfers than permitted under the regulation; or
- apply greater liability under the regulation when state law or an agreement with the consumer imposes lesser liability.

Issues you should consider addressing in any update to help to clarify accountholder expectations include:

- "Authorized" vs. "Unauthorized" Transfers under Regulation E
- Define Voluntarily Sharing Credentials with AI as Authorization
- Outline Proper Revocation Protocols
- Clarify Liability for Third-Party AI Errors
- Review Security & Anti-Scraping Terms

You should work with legal counsel and your compliance team to draft language that harmonizes Regulation E requirements (§ 1005.7) with your deposit account agreement and online banking terms.

Bank Management

	OCC Interest Rate Risk: Interest Rate Risk Statistics Report (10/23/2026) – The Office of the Comptroller of the Currency (OCC) published the fall 2026 edition of the *Interest Rate Risk Statistics Report*. The report presents interest rate risk data gathered during examinations of OCC-supervised midsize and community banks and federal savings associations (collectively, banks). The statistics are for informational purposes only and do not represent OCC-suggested limits or exposures.

Rescissions
This bulletin rescinds OCC Bulletin 2026-14, "Interest Rate Risk: Interest Rate Risk Statistics Report," which transmitted the spring 2026 report.

Note for Community Banks
The publication is for informational purposes only.

Highlights
The fall 2026 report provides statistics on interest rate risk exposures and risk limits for different midsize and community bank populations, including

- all OCC-supervised midsize and community banks with reported data.
- banks by asset size.
- banks by charter type.

This publication was updated to add two parallel rate shock scenarios for earnings at risk and economic value of equity—minus 400 basis points and minus 300 basis points, and their corresponding policy risk limits.

The publication is intended as a resource to the industry, examiners, and the public.

Related Link

- *Interest Rate Risk Statistics Report, Fall 2026*

Comment: The updated report introduces expanded stress testing statistics, incorporating parallel downward rate shocks of -300 and -400 basis points for both Earnings at Risk and Economic Value of Equity. Michigan community bankers can utilize these newly expanded baseline metrics and peer asset-size segments to refine their non-maturity deposit assumptions and board-approved policy limits.

BSA / AML

ABA Democratic attorneys general sue FinCEN over beneficial ownership reporting (10/28/2026) – A coalition of 21 Democratic state attorneys general has filed a lawsuit to reverse the Trump administration's decision to scale back the scope of beneficial ownership information reporting requirements.

In August, the Financial Crimes Enforcement Network, which is part of the Treasury Department, finalized a rule removing the requirement for U.S. companies and persons to report BOI to the agency under the Corporate Transparency Act. The agency also announced plans to delete previously reported information from the BOI database.

In a lawsuit filed in Oregon, the attorneys general argued that the Trump administration "cannot repeal a law by rulemaking." They asked the court to vacate the FinCEN rule, retain previously reported BOI, and order the agency to resume BOI collection.

"Through the CTA, Congress required that both domestic and foreign companies report ownership information to the Treasury Department," the lawsuit states. "Now, ignoring Congress's judgment, the Treasury Department has promulgated a regulation that exempts from the law's ambit all domestic companies — over 99.9% of the entities originally required to report — effectively repealing the act. Neither the Administrative Procedure Act nor the Constitution permits this lawless action. "

	Comment: The lawsuit seeks to vacate the Trump administration's recent rollback, which exempted more than 99.9% of businesses from reporting and scheduled a massive purge of existing corporate records for early 2027.
	FinCEN Issues Seven Foreign-Language Translations of Its Whistleblower Bulletin on Iran-Related Illicit Finance (10/26/2026) –The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued its Whistleblower Bulletin on Iran-related illicit finance in the following seven languages: Arabic, Farsi, Hindi, Mandarin, Russian, Spanish, and Turkish. FinCEN first issued the Bulletin in English on September 10, 2026, in support of Operation Economic Outcast to encourage submissions from both U.S. and non-U.S. whistleblowers with information about Iran-related illicit finance. To learn more about FinCEN's whistleblower program, including how to report tips and submit award applications, visit FinCEN's webpage for the Office of the Whistleblower. **Resources** • FinCEN's Whistleblower Bulletin: Blow the Whistle on Iran-Related Illicit Finance (English version) • Arabic Translation • Farsi Translation • Hindi Translation • Mandarin Translation • Russian Translation • Spanish Translation • Turkish Translation

Deposit / Retail Operations

	CSBS West Virginia Financial Supervisor Creates a Reusable Tool to Fight Elder Financial Abuse (10/27/2026) – It started with a phone call, $15,000, and a shoe box. Earlier this year, the elderly aunt of West Virginia Division of Financial Institutions Commissioner Dawn Holstein received a phone call from a stranger who claimed someone had accessed her bank account to buy computers. The caller said the problem could be resolved if her aunt immediately sent cash to an out-of-state address. Worried, her aunt did as she was told. She packed $15,000 into a shoe box and promptly mailed it. On her walk back home, she ran into Holstein's brother and explained she quickly needed to call someone with a tracking number. "He froze, and it immediately clicked for him that this was a scam," Holstein said. Her brother took the receipt and called the shipping center. Luckily, the package was still there, and he got it back. Her aunt had no cellphone, no internet connection, and no online presence. She only had a landline. With just a few more minutes, the money would have been gone. **Learning more about scams** As a state supervisor, Holstein is well aware of the prevalence of financial scams. She heads a department in West Virginia that charters 32 depository institutions and licenses approximately 660 nonbank institutions like mortgage companies, money transmitters, and consumer lenders. All too often, the scams are not discovered until after the money is gone — something that is more prevalent with evolving technology.

Holstein says the psychology of financial scams has not changed; they still rely on fear, urgency, trust, and, sometimes, romance. But crypto and digital payments have changed their speed and reach. Cash can be converted into a nearly irreversible digital payment without the sender needing to be in the same state, or even country.

The elderly are, unfortunately, frequent targets, and the numbers are striking. The FBI's 2025 Internet Crime Report found that for calendar year 2025, Americans over age 60 reported approximately $7.7 billion in losses. In addition, more than 42,000 older victims reported scams involving cryptocurrency, with about $4.3 billion tied to cryptocurrency scams that year. FinCEN, citing Federal Trade Commission data, reports that in 2024, Americans aged 60 and older were more than three times more likely than younger adults to report losing money through a crypto kiosk.

Holstein's approach

Holstein believes that consumer education is a crucial step in combating evolving threats. Now, that need is even greater as cybersecurity fraud has become more rampant for consumers who have computers and smartphones.

"As a regulator, our primary role is assisting financial institutions in helping them stay ahead of the next threat. It is always ongoing and an uphill battle," Holstein said. "Most breaches and attacks are not because software or hardware failed, it is usually human intervention that has permitted that chink in the armor, that allows the cyber-attack to happen."

After receiving consumer and institution calls about scams that had occurred, and her aunt's close call, Holstein began thinking about how her Division could provide education to other West Virginians as a deterrent, to break a scammer's hold before the money moves.

That's when she came up with the idea of a refrigerator magnet in the shape of a stop sign. Holstein wanted to create a physical reminder that was low-tech and could be visible to consumers every day. The message is deliberately short: Stop. Verify. Protect your money.

The Division worked with AARP and West Virginia Senior Services on distribution, initially sending 30 magnets to each of the 55 senior centers in the state. The response has been overwhelmingly positive. Since August 2026, the Division has distributed 2,000 magnets and already has ordered 5,000 more.

Holstein is eager to share her initiative with others.

"I want to share our [magnet] design with anyone who wants it. It can be changed and edited as needed," she said. "I think the stop sign is universal and hopefully will be memorable for someone to take a pause and break the cycle of thought that a scammer creates in their victim."

View West Virginia's elder financial abuse prevention tool on the agency's website. For more information, contact the agency at LDeBruyn@wvdob.org. To learn more about consumer protection efforts in your state, visit CSBS's directory of state regulatory agencies.

Comment: This tool features a customizable, stop sign-shaped refrigerator magnet designed to help seniors pause and verify before sending money. Inspired by West Virginia Financial Commissioner Dawn Holstein, it is now available for other state regulators and community banks to replicate and protect local customers.

Human Resources

No news to report this week.

Lending

	CFPB officially issued updated compliance and educational resources for Adjustable-Rate Mortgages (ARMs) and Home Equity Lines of Credit (HELOCs) (10/28/2026) – Consumer Handbook on Adjustable-Rate Mortgages (CHARM Booklet): Outlines the specific structural features and long-term financial risks of ARMs. Lenders are required to distribute this to consumers who apply for an ARM loan under 12 CFR 1026.19(b)(1). HELOC Brochure ("What You Should Know About Home Equity Lines of Credit"): Covers the specific mechanics, operational risks, and costs tied to borrowing against home equity. Delivery is required for HELOC applicants under 12 CFR 1026.40(e) ***Comment: Any new batches of the booklet or brochure printed or electronically distributed must utilize these refreshed October 2026 versions. Lenders should review their application delivery workflows immediately to ensure seamless regulatory compliance with the new formats.***

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.

09.24.2026 **FRB** Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins SUMMARY: The Board of Governors of the Federal Reserve System (Board) proposes to issue regulations that would establish procedures to be followed by an insured State member bank that seeks to obtain Board approval for a subsidiary to issue payment stablecoins pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). **DATES: Comments must be received by the Board on or before November 16, 2026.**

09.11.2026 **Joint** Proposed Third-Party Risk Management Guidance SUMMARY: The OCC, Board, FDIC, and NCUA (collectively, the agencies) invite comments on this proposed third-party risk management guidance. The proposed guidance would reflect the agencies' supervisory experience and lessons learned through examining banking organizations' third-party risk management practices. In particular, the proposed guidance would discuss the potential benefits that may accrue when a banking organization aligns its third-party risk management practices in relation to the reasonably assessed risk levels specific to each of its third-party relationships. This approach may assist banking organizations in the prioritization of third-party risk management based on material financial risks, compliance with laws and regulations, and resource allocation. The proposed guidance also would help banking organizations consider potential strategies for tailoring their third-party risk management practices according to the banking organization's size, complexity, and risk profile, as well as the nature of its third-party relationships. The agencies plan to rescind and replace existing guidance on third-party risk management to promote consistency and innovation in the banking industry. **DATES: Comments must be received on or before November 16, 2026.**