



Community Bankers of Michigan Regulatory Dispatch

October 14, 2026

Timely news and resources community bankers can use

FRB Modernizing the Regulatory and Supervisory Landscape - Vice Chair for Supervision Michelle W. Bowman (10/08/2026) –I will discuss the work we have

under way to modernize the bank regulatory and supervision framework. First, mergers and acquisitions. The Federal Reserve's competitive analysis in bank mergers has a disproportionate effect on rural banks in small and underserved markets. This analysis systematically understates the competition banks in these markets face—downplaying or ignoring credit unions, nonbank lenders, farm credit institutions, and branchless banks that compete in local markets across the country. This analysis is antiquated and harmful to community banks that may face greater difficulties in merging, even when doing so may actually create a stronger and more competitive banking environment.

Second, de novo formation. In June, the FFIEC issued a statement reaffirming its support for de novo bank formation. While this was an important show of broad-based support for de novos, federal and state banking agencies can and should do more to promote new bank formation—including clarifying approval standards (like capital requirements), adhering to specific and reasonable processing timelines, and issuing conditional approvals where appropriate.

Third, rationalizing and streamlining the call report. The FFIEC issued a request for information on call report streamlining in December 2025, seeking public comment about excessive burden on banks that file the call report and requesting stakeholders to identify options for streamlining.

I also highlighted the necessity of community banking and state bank commission experience for those involved in regulatory and supervisory oversight processes. Understanding the business of banking and how supervision and regulation hinder or support this business is fundamental to a safe and sound banking system. Since becoming the Vice Chair for Supervision, I have served as the Board's FFIEC member, and as its chairman. During this time, we have made progress on long-standing issues within the FFIEC's purview, including updating the CAMELS rating system, which I will discuss more in a moment.

Bank regulators rely on an effective and proportionate approach to bank regulation and supervision, based on size, complexity, business model, and risk profile. This includes updating asset-based thresholds to reflect changes over time and indexing them to economic growth to help ensure that they remain appropriately calibrated in the future.

Comment: In her full speech, Vice Chair Michelle W. Bowman announced a series of modernization initiatives designed to support community bank growth, including streamlined Call Report filings, reformed M&A competitive analysis, and a realigned regional supervisory structure. Crucially, upcoming updates to CAMELS ratings will ensure the "Management" component no longer singularly drives down a bank's composite rating without evidence of material financial risk.

FinCEN [Announces Withdrawals of Digital Asset Related Rulemakings](#) (10/05/2026) – The Financial Crimes Enforcement Network (FinCEN) is withdrawing the following proposed rules that would have imposed regulatory requirements on financial institutions related to certain digital assets, specifically convertible virtual currencies:

- a proposal that would have imposed recordkeeping, verification, and reporting requirements on certain transactions involving convertible virtual currencies involving unhosted wallets
- a proposal that would have imposed a special measure with regards to convertible virtual currency mixing

FinCEN has considered the comments submitted in response to these proposals and is withdrawing them as part of the Trump Administration’s deregulatory agenda and ongoing efforts to ensure digital asset regulations are fit-for-purpose.

Resources

- [Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets; Withdrawal](#)
- [Proposal of Special Measure Regarding Convertible Virtual Currency Mixing, as a Class of Transactions of Primary Money Laundering Concern; Withdrawal](#)

Comment: Neither of the proposed rules had ever been finalized or taken effect; their withdrawal removes pending compliance burdens rather than repealing active law. Standard Bank Secrecy Act (BSA) and anti-money laundering (AML) requirements already in force for banks and regulated crypto-exchanges continue to apply.

Deposit / Retail Operations

Womble Bond Dickinson [FCC Narrows the TCPA “Revoke All” Rule, Permits Exclusive Opt-Out Methods, and Seeks Comment on Shorter Compliance Deadlines](#) – (10/02/2026)

How Businesses Should Respond

Businesses should begin preparing now. The amendments take effect thirty (30) days after Federal Register publication, well before the January 2027 date many compliance teams anticipated for the narrower “revoke all” rule. Callers should decide whether to use category-specific opt-outs and, if so, define and document those categories using the FCC’s examples. They should also consider whether to choose an exclusive revocation method and revise call scripts and text templates to disclose it on every contact. Financial institutions should review how they obtain wireless numbers and whether to rely on the expanded exemption. Businesses aligning FCC requirements with 10DLC carrier rules should monitor the Bureau’s plain-language proposal and consider commenting on provisions that are difficult to implement in text-messaging programs.

Comments on the FNPRM are due thirty (30) days after Federal Register publication, and replies are due thirty (30) days later. Callers in the financial, health care, utility, and collections sectors should consider addressing the proposed seven-day deadline and mandatory “revoke all” requirement.

Comment: This updated TCPA ruling provides significant relief for community banks by allowing them to separate critical operational text alerts from promotional marketing. Under the new guidelines, if a customer opts out of general marketing, banks can maintain distinct consent for essential communications like fraud alerts, as long as they offer exclusive and clear opt-out methods. Community

banks should review their current text message categories and update disclosure language now to prepare for potentially shorter compliance turnaround deadlines.

Human Resources

U.S. Secret Service [Workplace Violence Prevention](#) (10/07/2026) – NTAC's newest publication delivers a scalable 8-step framework to guide organizations in developing violence prevention programs.

On October 21, 2026, the U.S. Secret Service National Threat Assessment Center (NTAC) will release Preventing Targeted Workplace Violence: A U.S. Secret Service Guide to Behavioral Threat Assessment and Management. This publication marks the first time the U.S. Secret Service has delivered comprehensive guidance specifically intended to help organizations and workplaces implement violence prevention programs based upon Secret Service methodology.

The publication is divided into two parts. The first offers key findings from an examination of the background and behavioral history of workplace attackers to help organizations recognize and report warning signs of violence. The second offers a scalable eight-step framework to guide organizations in developing effective programs to identify, assess, and manage concerning individuals and situations before violence occurs.

In conjunction with this release, NTAC will host a virtual presentation to discuss the publication and best practices for workplace violence prevention. This free virtual event is appropriate for a variety of professional roles, including corporate and workplace managers, security, human resources, information technology, cybersecurity, and insider threat personnel. The information contained in this presentation is applicable to a variety of sectors and industries, including business, technology, healthcare, education, entertainment, finance, government, and military. It is also intended for individuals with a broader public safety responsibility, including state and local law enforcement, mental health professionals, and other community partners.

We invite you to [register](#) and share this information widely with partners and others in your network.

Comment: Banks operate as public-facing spaces, manage high-stress customer interactions, and handle sensitive assets, making them highly susceptible to both internal insider threats and external security risks. The behavioral analysis in Part 1 of the NTAC guide provides the behavioral tools needed to recognize warning signs in employees facing severe personal or professional crises.

Lending

OCC [Concentrations of Credit: Revised Comptroller's Handbook Booklet and Rescissions](#) (09/30/2026) – Summary: The Office of the Comptroller of the Currency (OCC) issued version 3.0 of the "Concentrations of Credit" booklet of the *Comptroller's Handbook*.

Rescissions: This booklet replaces version 2.0 of the booklet of the same title. Also rescinded is OCC Bulletin 2020-90, "Concentrations of Credit: Revised Comptroller's Handbook Booklet and Rescissions," which transmitted version 2.0 of the booklet.

Note for Community Banks

This booklet provides information to inform and educate examiners about concentrations of credit in banks 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

- continues to define a concentration of credit as the sum of direct, indirect, or contingent obligations exceeding 25 percent of a bank's tier 1 capital plus the allowance for credit losses.
- was reorganized to keep similar information together.
- includes more comprehensive discussion of risks associated with concentrations of credit under the "Risks Associated With Concentrations of Credit" section. Content related to quantity of risk was moved from other sections of the booklet to this section.
- includes clarity regarding ranges of practices for banks of with different sizes, complexities, and risk profiles.
- clarifies the relationship between correlations and concentrations.
- includes new information about securitizations and the relationship to concentration levels and the quantity of concentration risk.
- adds clarity regarding risk management practices relative to determining aggregate risk.

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*.

Comment: This revision reorganizes risk management topics, clarifies practices based on bank size, and fully rescinds the previous version along with OCC Bulletin 2020-90. Community banks frequently maintain heavy concentrations in local Commercial Real Estate (CRE), energy-adjacent lending, or agricultural/land loans. Version 3.0's clearer focus on correlations means examiners will look closer at whether "diversified" local loans actually share hidden economic drivers (e.g., regional drought, local real estate cycles, or energy market swings).

Technology / Security

CISA [Chinese Government-linked Cyber Threat Actors Combine Automated and Hands-on Hacking Tools to Steal Sensitive Data](#) (10/08/2026) – Chinese government-linked cyber threat actors, enabled by the Integrity Technology Group, are combining automated scanning tools, large-scale botnets, and hands-on exploitation techniques to target and steal sensitive data from organizations worldwide, including US critical infrastructure sectors. These actors exploit vulnerabilities by using scanning tools, cross-site scripting attacks, and password spraying on Microsoft Exchange servers, while establishing persistence through VPN software and exfiltrating emails and credentials using scripts. To help mitigate against this activity, organizations should prioritize disabling unused services and ports, sanitizing web application inputs to prevent injection attacks, implementing multifactor authentications for all services, and applying timely patches to reduce risks of compromise.

Comment: While the banking sector is not explicitly called out as the primary target in this specific alert, banks are a core component of U.S. critical infrastructure, a broad segment that Chinese government-linked actors are actively infiltrating.

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.**
- 07.31.2026 **FDIC** [Extensions of Credit to Insiders](#) SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is proposing to increase quantitative thresholds for certain extensions of credit to insiders of FDIC supervised institutions, as restricted by the Federal Reserve Act and regulations promulgated thereunder. Specifically, the proposal would increase the thresholds for certain (1) extensions of credit to executive officers not otherwise specifically authorized by statute from \$100,000 to \$400,000; and (2) extensions of credit to insiders requiring prior approval by the board of directors from \$500,000 to \$2,000,000. The proposal would also establish an indexing methodology to periodically update such thresholds over time. **DATES: Comments must be received on or before November 4, 2026. (Extended from October 5, 2026)**