



Community Bankers of Michigan Regulatory Dispatch

September 10, 2025

Timely news and resources community bankers can use

FDIC Proposes Adding Flexibility to Official Sign and Advertising Requirements (Davis Wright Tremaine)

Below is a summary of key changes for banks, which may also be important for their partners and service providers, as well as new entrants to the market.

Design Requirements for the FDIC Official Digital Sign

Citing questions about the design of the FDIC official digital sign and requests for flexibility in color codes and font sizes, the FDIC proposes to eliminate the specific hexadecimal color code, pixel size, and font size requirements for the FDIC official digital sign. Instead, banks would be required to display the FDIC official digital sign in a clear and conspicuous manner, using either a combination of navy blue and black text or all-white text and Source Sans Pro Web or a similar font. In addition, the proposal would expressly permit banks to "wrap" the text of the FDIC official digital sign to address space constraints. These changes reflect real questions and concerns industry raised when attempting to prepare for implementation of the current rule.

Signage for Digital Deposit-Taking Channels

The proposal would scale back some of the signage requirements on digital deposit-taking channels, reflecting questions and concerns raised with implementing these requirements.

The FDIC would remove the requirement to display the FDIC official digital sign on so-called "landing pages" (possibly unclear to some, or overbroad for others) while retaining the requirement to display the FDIC official digital sign on the "login page" (a more precise term) of the institution's deposit-taking channel.

The proposal would more precisely require banks to display the FDIC official digital sign on the institution's digital deposit-taking channels' page or screen where the customer initiates opening a deposit account, instead of requiring the institution to display the FDIC official digital sign on (all) "pages where the customer may transact with deposits."

The proposal would narrow the non-deposit signage requirement to require the display of non-deposit signage only on pages and screens that are primarily dedicated to one or more non-deposit products, such as a page or screen that provides substantive information on one or more non-deposit products or where a consumer could purchase a non-deposit product.

The FDIC would provide a non-exhaustive list of examples on various placements of the FDIC official digital sign and non-deposit signage that would meet the requirement that banks "clearly, continuously, and conspicuously" display such signage.

The proposal would permit banks to satisfy the current requirement to provide a one-time notification when a customer attempts to access non-deposit products from a non-bank third party platform with a notification that must be either

dismissed by an act of the customer or dismissed automatically after a minimum of three seconds, to allow the customer a reasonable opportunity to read the notification's content.

Signage for ATMs and Similar Devices

The proposal would simplify compliance for banks with signage requirements for ATMs and like devices.

The proposal would narrow the display requirement for the digital sign and non-deposit signage to the initial screen and initial non-deposit transaction screen, respectively. An ATM's "initial screen" (or "welcome screen") is the screen displayed before a customer inserts a debit card or other credentials to access the device.

The proposal would expand the current limited exception for certain ATMs and like devices to display either the FDIC official digital sign or the physical FDIC official sign to include (1) all ATMs and like devices placed into service prior to January 1, 2027, and (2) all ATMs and like devices, regardless of when placed into service, that do not allow customers to transact with non-deposit products.

The proposal would clarify that the non-deposit signage requirements only apply to ATMs or like devices that receive deposits and permit customers to transact with one or more non-deposit products, and a financial institution is only required to display the non-deposit signage on pages and screens viewed by its own customers.

Comment: One of the key areas of focus that was causing the most trouble was the specific design requirements of the FDIC digital sign. The 2023 rule required specific color codes, font sizes, and layouts, but banks argued that such prescriptive standards could quickly become outdated and create technical challenges. The proposed updates eliminate many of the technical requirements and provide banks with more flexibility in using colors, fonts, and sizes.

CBM Insights

Q: We have received a letter from the SBA regarding 'debanking.' Does this apply to community banks as well? We never engaged in 'debanking' and are not sure how to proceed.

A: While the Executive Order and the letter from the SBA clearly target the largest banks it nonetheless applies to ALL banks. The order effectively changes banking from a business-based decision to a civil right.

Community banks of ALL sizes will still have to comply with the mandate to:

- re-review account closures.
- revise internal risk models.
- document account and loan decision-making.

More importantly, the EO and SBA letter make it clear the actions must be retroactively applied.

Additionally, ALL lenders must submit a report to the SBA by January 5, 2026, providing evidence of their compliance with the directives to remain in good standing with the agency and avoid punitive measures which include a potential referral to the DOJ.

This EO and letter clearly fall in the lap of community banks and compliance staff for even the smallest banks. And because of the legal risks and agency scrutiny, it's hard to see how any response would not involve coordination and reviews by legal counsel specialized in similar matters.

What should ALL banks do now? The first step is not to ignore either the EO or SBA letter assuming it does not apply to your bank. All banks should begin the process of

- Auditing past account closures or denials to identify potential problems;
- Reviewing account termination policies and clarify internal justification standards beyond "reputational risk";

- Update compliance programs in anticipation of revised federal guidance; and
- Monitor directives and interpretive guidance from federal regulators.

Bank Management

	FRB Beige Book (09/03/2025) – National Summary – Overall Economic Activity Most of the twelve Federal Reserve Districts reported little or no change in economic activity since the prior Beige Book period—the four Districts that differed reported modest growth. Across Districts, contacts reported flat to declining consumer spending because, for many households, wages were failing to keep up with rising prices. Contacts frequently cited economic uncertainty and tariffs as negative factors. New York reported that "consumers were being squeezed by rising costs of insurance, utilities, and other expenses." Contacts observed the following responses to the consumer pullback. Retail and hospitality sectors offered deals and promotions to help price-sensitive consumers stretch their dollars—supporting steady demand from domestic leisure tourists but not offsetting falling demand from international visitors. The auto sector noted flat to slightly higher sales, while consumer demand increased for parts and services to repair older vehicles. Manufacturing firms reported shifting to local supply chains where feasible and often using automation to cut costs. The push to deploy AI partly explains the surge of data center construction—a rare strength in commercial real estate noted by the Philadelphia, Cleveland, and Chicago Districts. Atlanta and Kansas City reported that data centers had increased energy demand in their Districts. Overall, sentiment was mixed among the Districts. Most firms either reported little to no change in optimism or expressed differing expectations about the direction of change from their contacts. Labor Markets Eleven Districts described little or no net change in overall employment levels, while one District described a modest decline. Seven Districts noted that firms were hesitant to hire workers because of weaker demand or uncertainty. Moreover, contacts in two Districts reported an increase in layoffs, while contacts in multiple Districts reported reducing headcounts through attrition—encouraged, at times, by return-to-office policies and facilitated, at times, by greater automation, including new AI tools. In turn, most Districts mentioned an increase in the number of people looking for jobs. However, half of the Districts noted that contacts reported a reduction in the availability of immigrant labor, with New York, Richmond, St. Louis, and San Francisco highlighting its impact on the construction industry. Half of the Districts described modest growth in wages, while most of the others reported moderate growth. Two Districts noted little or no change in wages. Prices Ten Districts characterized price growth as moderate or modest. The other two Districts described strong input price growth that outpaced moderate or modest selling price growth. Nearly all Districts noted tariff-related price increases, with contacts from many Districts reporting that tariffs were especially impactful on the prices of inputs. Contacts in multiple Districts also reported rising prices for insurance, utilities, and technology services. While some firms reported passing through their entire cost increases to customers, some firms in nearly all Districts described at least some hesitancy in raising prices, citing customer price sensitivity, lack of pricing power, and fear of losing business. In some cases, as highlighted by Cleveland and Minneapolis, firms reported being under pressure to lower prices because of competition, despite facing increased input costs. Most Districts reported that their firms were expecting price increases to continue in the months ahead, with three of those Districts noting that the pace of price increases was expected to rise further.
	CFPB Legal Standard Applicable to Supervisory Designation Proceedings (09/01/2025) – On August 26, the Consumer Financial Protection Bureau proposed to adopt a standard definition of “risks to consumers with

	regard to the offering or provision of consumer financial products or services” that will bind the Bureau in proceedings to designate nonbank covered persons for Bureau supervision. This will ensure that the Bureau acts within the bounds of its statutory authority and provide clarity to institutions about the standard the Bureau applies. Comments must be received on or before September 25, 2025. <i>Comment: Section 1024(a)(1)(C) of the Consumer Financial Protection Act (CFPA) authorizes the CFPB to supervise a nonbank covered person that it has reasonable cause to determine, by order, after notice to the covered person and a reasonable opportunity for such covered person to respond, is engaging or has engaged in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services. 12 U.S.C. Section 5514(a)(1)(C).</i>
	<u>OCC Decreases the September 30, 2025, Assessment Rates for National Banks and Federal Savings Associations</u> (09/01/2025) – WASHINGTON—The Office of the Comptroller of the Currency (OCC) announced a decrease in assessment rates for the September 30, 2025, semiannual assessment. This is the fifth decrease in assessments since 2017 and will apply to all OCC-regulated institutions. “The OCC is operating more efficiently through a diligent effort to modernize its approach to bank supervision, leverage technology, and refocus our supervisory priorities on material financial risks,” said Comptroller of the Currency Jonathan V. Gould. “The OCC is passing cost savings on to our regulated institutions so they may better support a thriving U.S. economy. We will continue to advance a strong and effective regulatory framework that promotes economic growth and minimizes burden to banks.” The OCC reduced the rates in the general assessment fee schedule by 30 percent for assets up to \$40 billion and 22 percent for assets above \$40 billion, and reduced the rates in the independent trust and independent credit card assessment fee schedules by 22 percent. Additionally, the OCC is decreasing the hourly fee for special examinations and investigations to \$137 from \$176. The decrease will still allow the OCC to recover the cost of conducting special examinations and investigations. The 2025 assessment rates will continue to provide the OCC with sufficient resources to ensure a well-trained staff and to update the agency’s technology systems as necessary to perform its important mission to maintain the safety and soundness of the federal banking system. The revised calendar year 2025 assessment rates will be in effect as of September 30, 2025, and will be reflected in the semiannual assessments paid on September 30, 2025. The revised rates are presented in the Interim Calendar Year 2025 Fees and Assessments Structure. Related Link Schedule <i>Comment: Thank you, Comptroller Gould!</i>

BSA / AML

	<u>FinCEN Issues Guidance to Financial Institutions on Cross-Border Information Sharing</u> (09/05/2025) – The U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) is issuing guidance to encourage and promote appropriate, voluntary cross-border sharing of information between and among financial institutions, including appropriate foreign financial institutions. The guidance aims to help combat the threats posed by money laundering, terrorist financing, and other illicit finance activity, including from drug trafficking organizations, foreign terrorist organizations, and fraudsters. The guidance clarifies that
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	while financial institutions are prohibited from sharing Suspicious Activity Reports (SARs), as well as information that would reveal the existence of a SAR, the Bank Secrecy Act and its implementing regulations generally do not prohibit cross-border information sharing. FinCEN is issuing the guidance in consultation with staffs from the Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and National Credit Union Administration. Among other goals, this guidance furthers the President’s Working Group on Digital Asset Markets report, “Strengthening American Leadership in Digital Financial Technology,” by supporting greater information sharing. Guidance: https://www.fincen.gov/system/files/2025-09/Crossborderguidance-508C.pdf <i>Comment: As noted, the Bank Secrecy Act (BSA) still prohibits disclosure of Suspicious Activity Reports (SARs) or any indication that one was filed. But this guidance makes it clear that transaction logs, customer due diligence records, beneficial ownership data, and cyber identifiers can be shared, provided they don’t reveal SAR filings.</i>
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Deposit / Retail Operations

	FRB What’s New With New Account Fraud? (09/04/2025) – In today’s digitized world, financial institutions may have many reasons to encourage customers to open accounts electronically. Increasing customer acquisition is an ongoing business concern survey (Off-site) due in part to fierce competition, including from banking and payment services offered by fintechs and other emerging players. The digital onboarding process, whether online or in-app, typically is more convenient than in-person onboarding. It can offer a user experience more aligned to the shifting preferences of today’s consumers and businesses. In addition to competitive advantages, allowing digital account opening can be an attractive strategy for financial institutions to reduce costs and increase operational efficiencies. However, without appropriate fraud detection or controls in place, digital account opening can expose financial institutions to numerous opportunities for criminals. Over recent years, advancements in generative artificial intelligence (AI), combined with widespread availability of personally identifiable information (PII) on the dark web, have made new account fraud easier to perpetrate and harder to detect. In 2024, reported losses from new account fraud hit \$6.2 billion (Off-site), more than doubling compared to a decade ago. <i>Comment: In the ever evolving world of fraud, banks must stay vigilant which means robust, dynamic fraud detection controls. Fraud controls can be thought of as ‘good, better, best’ but never perfect.</i>
	FDIC Consumer News - September 2025 (09/04/2025) – Teaching Young People About Money Give Them a Valuable Head Start Teaching young people about money can help them become more financially independent as they get older. There is research that suggests financial education may be related to lower debt, higher savings, and higher credit scores. Ways to Approach Young People About Money Talk about work and income Your child may see that a relationship exists between work and money. Consider having a conversation with your child about work and how your earnings influence your purchases, where you live, and

	transportation options for how you get to work. If your child engages in activities like operating a lemonade stand, hosting a bake sale, dog sitting, or babysitting, you can use these occasions to teach them about earning, spending, and saving. Talk about paying bills or discuss large purchases Family meetings can be a way of teaching your children about the financial choices you make and why you make them. Try to explain financial obligations using age-appropriate concepts and terminology. The main idea is to teach them the importance of budgets and making responsible choices with money. <i>Comment: Under the rescinded joint CRA rule, Banks would have received CRA credit for expanded financial literacy programming that applied to all income levels. Those changes removed the previous bank requirement of specifically focusing on just low and moderate income (LMI) beneficiaries. Let's hope any new CRA rule adopts the same approach so more households could benefit from additional financial literacy activities.</i>
	FTC Plan to Avoid Scams this National Preparedness Month (09/03/2025) – When a natural disaster strikes — like a hurricane, wildfire, severe storm, or flood — being prepared can make all the difference. This National Preparedness Month, make a plan (or review your existing plan) and take steps to protect yourself and your household from disaster-related scams. Scammers love a crisis and, after emergencies, often pose as contractors, government officials, or charities to try to steal people's money or personal information. The FTC has information and tools to help you avoid fraud as you prepare for and recover from an emergency. • Start at ftc.gov/WeatherEmergencies where you'll find resources to help you spot, avoid, and report scams as you prepare for, deal with, and recover from extreme weather and natural disasters. The site's mobile-friendly, so you'll have access whenever and wherever you need it. • Picking Up the Pieces After a Disaster is a customizable handout to spread the word, so people in your community are also prepared to spot and avoid common post-disaster scams, like clean-up and repair scams, and government impersonator scams. The handout has space to add local consumer protection and emergency service contacts, like your state Attorney General's office, or a local emergency management office. Download a digital copy to print and distribute in your community. • Order free print publications to share with community organizations, social clubs you belong to, or in your place of worship. Get your free materials at ftc.gov/bulkorder. Suspect a disaster-related scam? Tell the FTC at ReportFraud.ftc.gov. Every report helps the FTC build cases, work to stop scammers, and alert others about current fraud trends.

Human Resources

	FTC Issues Request for Information on Employee Noncompete Agreements (09/04/2025) – The Federal Trade Commission launched a public inquiry to better understand the scope, prevalence, and effects of employer noncompete agreements, as well as to gather information to inform possible future enforcement actions. A noncompete agreement is a contractual term between an employer and a worker that typically blocks the worker from working for a competing employer or starting a competing business after the end of the
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worker's employment. While noncompete agreements can serve valid purposes in some circumstances, available evidence indicates that they are often subject to abuse.

Members of the public including current and former employees restricted by noncompete agreements, and employers facing hiring difficulties due to a rival's noncompete agreements, are encouraged to share information about the use of noncompete agreements.

"We are asking the public to help shine a light on unfair and anticompetitive agreements," said Kelse Moen, Deputy Director of the Bureau of Competition and co-chair of the agency's Joint Labor Task Force. "Unreasonable noncompete agreements have proliferated for too long in the dark. With the assistance of the employees and workers most burdened by them, the Trump-Vance FTC intends to uproot the worst offenders and restore fairness to the American labor market. We look forward to closely reviewing every response."

The public will have 60 days to submit comments at [Regulations.gov](https://www.regulations.gov), no later than November 3, 2025. Once submitted, comments will be posted to [Regulations.gov](https://www.regulations.gov). Individuals wishing to submit confidential, non-public comments should reference the alternative submission guidelines in the RFI.

The Federal Trade Commission works to [promote competition](#), and to protect and educate consumers. The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. You can learn more about [how competition benefits consumers](#), [file an antitrust complaint](#), or [comment on a proposed merger](#). For the latest news and resources, [follow the FTC on social media](#), [subscribe to press releases](#), and [read our blog](#).

Lending

FDIC [Update to the FDIC's Consumer Compliance Examination Manual](#) (08/29/2025) – Summary: The FDIC's Consumer Compliance Examination Manual has been updated to reflect that the FDIC will evaluate potential discrimination under the Equal Credit Opportunity Act and Fair Housing Act only through evidence of disparate treatment.

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

Highlights:

The following sections of the FDIC's Consumer Compliance Examination Manual have been updated:

- Sections 1.1, 2.1, and 4.1 of **Section IV-Fair Lending Laws and Regulations** have been updated to remove all references to disparate impact and how to evaluate disparate impact risk.
- **Section VII-1.1 Unfair, Deceptive, and Abusive Practices - Federal Trade Commission Act/Dodd-Frank Act** has been updated to remove reference to disparate impact.

To assist readers in identifying the changes, the FDIC is providing a redline document that identifies all changes.

FIL-41-2025

Attachment(s)

[Consumer Compliance Examination Manual](#)

[Redlined document identifying changes \(PDF\)](#)

Comment: Of course, private litigation is still a real tool for consumer complainants. And federal agencies may still look to the disparate treatment theory to pursue and remediate potential fair lending violations under ECOA, the Fair Housing Act, and other federal statutes. And previous claims raised

under the theory of disparate impact may continue to be brought, but as newly and perhaps more appropriately repackaged as disparate treatment claims.

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.

- 08.22.2025 **CFPB** [Personal Financial Data Rights Reconsideration](#) **SUMMARY:** The Consumer Financial Protection Bureau (CFPB or Bureau) is seeking comments and data to inform its consideration of four issues related to implementation of section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). These issues are: the proper understanding of who can serve as a “representative” making a request on behalf of the consumer; the optimal approach to the assessment of fees to defray the costs incurred by a “covered person” in responding to a customer driven request; the threat and cost-benefit pictures for data security associated with section 1033 compliance; and the threat picture for data privacy associated with section 1033 compliance. **DATES: Comments must be received on or before October 21, 2025.**
- 08.21.2025 **FDIC** [Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC’s Name or Logo](#) **SUMMARY:** The Federal Deposit Insurance Corporation (FDIC) is seeking comment on a proposal that would amend signage requirements for insured depository institutions’ (IDIs) digital deposit-taking channels and automated teller machines (ATMs) and like devices. The proposed changes are intended to address implementation issues and sources of potential confusion that have arisen following the adoption of current signage requirements for these banking channels. The proposal would provide additional flexibility to IDIs while also enabling consumers to better understand when they are conducting business with an IDI and when their funds are protected by the FDIC’s deposit insurance coverage. **DATES: Comments must be received by the FDIC no later than October 20, 2025.**
- 06.16.2025 **Joint** [Request for Information on Potential Actions to Address Payments Fraud](#) **SUMMARY:** The Office of the Comptroller of the Currency (OCC), Treasury; the Board of Governors of the Federal Reserve System (Board); and the Federal Deposit Insurance Corporation (FDIC) seek public input on questions related to payments fraud. This request for information (RFI) offers the opportunity for interested stakeholders to identify ways that the OCC, the Federal Reserve System (FRS), and the FDIC could take actions collectively or independently in their varying respective roles to help consumers, businesses, and financial institutions mitigate check, automated clearing house (ACH), wire, and instant payments fraud. **DATES: Comments must be received by September 18, 2025.**