Supervisory Update News Summary

AS OF MARCH 15, 2026

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
OCC Errs in Final Trust Charter Rule	Press Release February 27,2026	Final rule from the OCC discards the term "fiduciary activities" – a long-held and commonly understood definition of what it means to engage in trust activities – in favor of ambiguity and unfettered agency discretion. The OCC received numerous comments raising serious concerns with the proposed rule before the deadline just 16 days ago. CSBS is deeply concerned by the OCC's final rule related to the chartering of national trusts. The rule fails to address – or even meaningfully consider – the consequences of this change on the scope and limits of national trust bank authority and undermines the transparency and accountability of OCC decision-making.	CSBS
Texas Banking Commissioner Issues Consent Order Relating to GPD Holdings LLC dba CoinFlip	Press Release February 27, 2026	Texas Banking Commissioner issued a Consent Order (Order) relating to GPD Holdings dba CoinFlip (GPD) of Chicago, Illinois. The Order is based on the Commissioner finding that GPD violated Texas Finance Code Chapter 152 by engaging in unlicensed money transmission activity. The Order required GPD to pay an administrative penalty, continue making good faith efforts to obtain a Texas money transmission license, and not engage in further licensable activity until a license is obtained.	TDB

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
The Fundamentals of Cyber Hygiene for Financial Institutions	Industry Notice 2026-02 March 9, 2026	The Department of Banking (Department) is sharing the following guide prepared by the Conference of State Bank Supervisors (CSBS) that provides a single, all-in-one resource on cybersecurity fundamentals. The Cyber Hygiene Fundamentals for Financial Institutions Guide contains ten cyber hygiene fact sheets and board questions documents previously distributed by CSBS. The guide provides a fundamental overview of how each of these controls and practices are critical to protecting institutions against existing and emerging cyber threats. This resource supplements the two notices the Department released in 2025, provided along with other Information Technology Resources available on the Department's website.	TDB
Agencies Clarify the Capital Treatment of Tokenized Securities	Press Release March 5, 2026	The federal bank regulatory agencies jointly issued answers to frequently asked questions to clarify the capital treatment of tokenized securities or FIL 5-2026. A security is often referred to as "tokenized" when ownership rights in the security are represented using distributed ledger technology. The answers to the frequently asked questions clarify that an eligible tokenized security should generally receive the same capital treatment as the non-tokenized form of security under the capital rule. The agencies also clarified that the capital rule is technology neutral, and the technologies used to issue and transact in a security do not generally impact its capital treatment.	FDIC, FRB, OCC
Bank Lending to Nondepository Financial Institutions	Banking Issues in Focus February 18, 2026	Bank lending to nondepository financial institutions (NDFIs) has been the fastest-growing loan segment since the 2008-2009 Global Financial Crisis. From 2010 to 2024, outstanding balances of bank loans to NDFIs, reported quarterly on bank Consolidated Reports of Condition and Income (Call Reports), rose at a compound annual growth rate of 21.9 percent, almost three times as high as the next-fastest-growing segment. Starting in December 2024, bank regulatory agencies added additional fields to the Call Report to disaggregate bank loans to NDFIs and to collect data on unfunded commitments and performance.1 This article discusses the growth of bank lending to NDFIs and bank connections to these lenders, explains recent changes to the Call Report and trends in bank lending to NDFIs gleaned from third quarter 2025 Call Report data, and discusses the growth of NDFIs.	FDIC

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FDIC-Insured Institutions Reported Return on Assets of 1.24 Percent and Net Income of $77.7 Billion in Fourth Quarter 2025	Press Release February 26, 2026	Reports from 4,336 commercial banks and savings institutions by the FDIC reported a return on assets (ROA) ratio of 1.24 percent and aggregate net income of $77.7 billion, a decrease of $1.6 billion (2.0 percent) from the prior quarter. For the full year, FDIC-supervised institutions reported net income of $295.6 billion, a 10.2 percent increase from 2024. The banking industry continued to maintain strong capital and liquidity levels, which support lending and protect against potential losses. Other key findings of the FDIC's *Quarterly Banking Profile*.	FDIC
Update from the Prudential Regulators: Rightsizing Regulation to Promote American Opportunity	Testimony February 26, 2026	The Federal Deposit Insurance Corporation's (FDIC) recent work to improve our regulatory and supervisory approach across several areas, while continuing to fulfill our core mission of insuring deposits, promoting the safety and soundness of banks, and resolving failed institutions. Over the past year, the FDIC has made significant progress on reforming supervision so it is less process-driven and more focused on core financial risks; engaging in a thoughtful review of our regulations, guidance, and manuals; reevaluating numerous aspects of our resolution and receivership management functions; and promoting the prudent adoption of innovative and transformative technologies in the financial services sector. Going forward, we will continue to work to drive economic growth and access to capital, while fulfilling our critical role in promoting a safe, sound, and resilient banking system.	FDIC
FDIC Issues List of Banks Examined for CRA Compliance	Press Release March 5, 2026	The FDIC issued its list of state nonmember banks recently evaluated for compliance with the Community Reinvestment Act (CRA). The list covers evaluation ratings that the FDIC assigned to institutions in December 2025. The CRA is a 1977 law that requires the FDIC to assess a bank's record of meeting the credit needs of its entire community, including those of low- and moderate-income neighborhoods, consistent with safe and sound operations. As part of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Congress mandated the public disclosure of an evaluation and rating for each bank or thrift that undergoes a CRA examination on or after July 1, 1990.	FDIC

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Houston Resident Sentenced to Decade in Prison for Laundering Proceeds from $40 million Fraud Scheme	Investigations Press Release February 20, 2026	A 44-year-old man has been sentenced for laundering proceeds from a large-scale bank fraud scheme. U.S. District Keith Ellison has now ordered Khath to serve 120 months in federal prison to be immediately followed by three years of supervised release. At the hearing, the court heard additional evidence that the bank fraud scheme involved more than $60 million in loans and that Khath directed numerous participants, including bankers, co-defendants, tax preparers and borrowers. The court also heard evidence related to alleged Medicare fraud he committed while on bond. In imposing the sentence, the court described the offense as a heinous crime.	FDIC
UBPR Interest Rate Risk Analysis Page Change	Announcement March 2, 2026	As announced in 2022, the Federal Financial Institutions Examination Council's member agencies began a multi-year review of Uniform Bank Performance Report's content to ensure it remains current and relevant. As part of this content review, which is being led by the Task Force on Surveillance Systems, the FFIEC updated the Interest Rate Risk Analysis page in February 2025. The updated page contained several new concepts that resulted in a materially longer page. To aid in readability of the content, on or shortly after March 2, 2026, the Interest Rate Risk Analysis concepts will be divided into two pages (Interest Rate Risk Analysis page 9 and page 9A).	FFIEC
Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering, Combating the Financing of Terrorism, and Counter-Proliferation Finance Deficiencies	Press Release March 6, 2026	The Financial Crimes Enforcement Network (FinCEN) is informing U.S. financial institutions that the Financial Action Task Force (FATF), an intergovernmental body that establishes international standards for anti-money laundering, countering the financing of terrorism, and countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF), updated its lists of jurisdictions with strategic AML/CFT/CPF deficiencies at the conclusion of its plenary meeting last month. The FATF also updated its public statement on Iran, reminding all jurisdictions of their obligations under the FATF standards to address proliferation financing risks emanating from Iran, reiterating its call for action to its members, and urging all jurisdictions to apply effective countermeasures on Iran, specifically highlighting four countermeasures.	FinCEN

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FinCEN Issues Expanded Southwest Border Geographic Targeting Order	Press Release March 10, 2026	The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) has issued an expanded Geographic Targeting Order (GTO) to help law enforcement combat the illicit activities and money laundering of Mexico-based cartels and other criminal actors along the southwest border of the United States. The GTO subject's certain money services businesses (MSBs), which provide financial services outside of a formal bank—to enhanced reporting requirements with FinCEN. This important tool ensures law enforcement has access to critical data and can act quickly as they investigate illicit activity. Terms of this GTO are effective through September 2, 2026.	FinCEN
Following Earlier Actions to Remove Reputation Risk From its Supervision of Banks, Federal Reserve Board Requests Comment on Proposal to Codify that Removal	Press Release February 23, 2026	The FRB requested comment on a proposal to codify that removal. The proposal reiterates the Board's policy against penalizing or prohibiting an institution from banking a customer engaged in legal activity. In June, the Board announced that reputation risk would no longer be a component of examination programs in its supervision of banks. This proposal would build on that announcement to help ensure supervisory decisions are based on material financial risks, as well as increase clarity and facilitate greater precision in supervisory decision making. It would also support the Board's focus on core financial risk in its supervision of banks.	FRB
Dallas Fed Publishes Third 'At the Heart of Texas' Edition Covering Pandemic Recovery, AI boom	News Release February 23,2026	The Federal Reserve Bank of Dallas has released the third edition of its "At the Heart of Texas" publication, providing detailed economic profiles of the state's largest metropolitan areas. The analysis shows why Texas was one of the fastest states to rebound from the pandemic. Dallas Fed researchers mapped industry growth in 12 metros from 2016 through 2023 to measure how they contributed to economic development. The report also covers the current AI boom propelling data center expansion and investment across the state.	FRB-Dallas

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Governor Abbott Renews Drought Disaster Proclamation in February 2026	Proclamation February 16, 2026	Governor Greg Abbott amended and renewed the disaster proclamation issued on July 8, 2022, certifying that exceptional drought conditions posed a threat of imminent disaster in several counties; and the Texas Division of Emergency Management has confirmed that those same drought conditions persist in certain counties in Texas. The proclamation authorizes the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.	TXGOV
Governor Abbott Renews Flooding Disaster Proclamation in February 2026	Proclamation February 16, 2026	Governor Greg Abbott amended and renewed the disaster proclamation issued on July 4, 2025, certifying that the heavy rainfall and flooding event that began on July 2, 2025, that included heavy rainfall and flash flooding, caused widespread and severe property damage, injury, or loss of life in several counties. Those counties include Bandera, Bexar, Burnet, Caldwell, Coke, Comal, Concho, Edwards, Gillespie, Guadalupe, Hamilton, Kendall, Kerr, Kimble, Kinney, Lampasas, Llano, Mason, Maverick, McCulloch, Menard, Real, Reeves, San Saba, Schleicher, Sutton, Tom Green, Travis, Uvalde, and Williamson counties. The proclamation authorizes the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.	TXGOV
Governor Abbott Renews Border Security Disaster Proclamation in February 2026	Proclamation February 16, 2026	Governor Greg Abbott amended and renewed the disaster proclamation issues on May 31, 2021, certifying that the surge of individuals unlawfully crossing the Texas/Mexico border posed an ongoing and imminent threat of disaster for a number of Texas counties and for all state agencies affected by this disaster. The proclamation authorizes the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.	TXGOV
Governor Abbott Announces $149 Million Cybersecurity Grant to Texas Tech University	Press Release February 18, 2026	Governor Greg Abbott announced that the Public Safety Office (PSO) has awarded $149 million to Texas Tech University to support the development of an Electromagnetic Pulse (EMP) testing site and cybersecurity infrastructure enhancements. This strategic investment strengthens ongoing efforts to safeguard the nation by advancing research that addresses escalating threats to critical infrastructure across Texas and the United States	TXGOV

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Governor Abbott Renews Fire Weather Conditions Disaster Proclamation in March 2026	Proclamation March 9, 2026	Governor Abbott amended and renewed the disaster proclamation issued on August 10, 2025, certifying that increased fire weather conditions pose an imminent threat of widespread or severe damage, injury, or loss of life or property in several counties; and the Texas Division of Emergency Management has confirmed that those same increased fire weather conditions persist in certain counties in Texas. The proclamation authorizes the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.	TXGOV
Treasury Announces Public-Private Initiative to Strengthen Cybersecurity and Risk Management for AI	Press Release February 18, 2026	In support of the President's AI Action Plan, the U.S. Department of the Treasury today announced the conclusion of a major public-private initiative to strengthen cybersecurity and risk management for artificial intelligence (AI) in the financial services sector. Over the course of February, Treasury will release a series of six resources developed in partnership with industry and federal and state regulatory partners to enable secure and resilient AI across the U.S. financial system.	Treasury
Treasury Releases Two New Resources to Guide AI Use in the Financial Sector	Press Release February 19, 2026	In support of the President's AI Action Plan, which calls for clear standards, shared understanding, and risk-based governance to ensure artificial intelligence is deployed safely and responsibly, the U.S. Department of the Treasury today released two new resources to guide AI use in the financial sector, a shared Artificial Intelligence Lexicon and the Financial Services AI Risk Management Framework (FS AI RMF)	Treasury
National Bank Chartering: Final Rule	OCC Bulletin 2026-4 February 27, 2026	The Office of the Comptroller of the Currency (OCC) is issuing a final rule to clarify the longstanding authority of national banks limited to the operations of trust companies and activities related thereto to engage in non-fiduciary activities in addition to their fiduciary activities. The final rule would neither expand nor contract the OCC's authority to charter a national bank. The final rule is effective April 1, 2026. The Final rule amends the OCC's chartering regulation 12 CFR 5.20	OCC

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Community Bank Licensing Amendments: Final Rule	OCC Bulletin 2026-6 March 3 2026	The Office of the Comptroller of the Currency (OCC) has issued a final rule to amend its regulations to simplify licensing requirements for corporate activities and transactions involving national banks and federal savings associations that have less than $30 billion in total assets and satisfy certain conditions. The final rule is intended to reduce burden on these institutions.	OCC

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FDIC	National Rates and Rate Caps (March 2026)
FRB	Beige Book (February 2026)
FRB-Dallas	Banking Conditions Survey (February 2026)

OTHER RESOURCES
Bloomberg Business and Financial News
Consumer Financial Protection Bureau (CFPB)
FFIEC BSA/AML InfoBase
FFIEC Information Technology Handbook InfoBase
Financial Accounting Standards Board (FASB)
Financial Action Task Force (FATF)
Financial Crimes Enforcement Network (FinCEN)
The Financial Forecast Center - Discount Rate Information
Office of Foreign Assets Control, U.S. Treasury (OFAC)
Real Estate Research Center, Texas A&M University (Market Reports)
Temporary Liquidity Guarantee Program
Texas Constitution and Statutes
Texas and National Economy – Federal Reserve Bank of Dallas
The Texas Economy – Texas Comptroller
Troubled Asset Relief Program (TARP)
Uniform Bank Performance Reports (UBPR) and Users Guide

ACRONYMS AND ABBREVIATIONS

ACRONYM / ABBREVIATION	MEANING
AML	Anti-Money Laundering
ASU	Accounting Standards Update
BIS	Bank for International Settlements
BSA	Bank Secrecy Act
CFPB	Consumer Financial Protection Bureau
CFR	Code of Federal Regulations
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
CSBS	Conference of State Bank Supervisors
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	Department of Justice
FASB	Financial Accounting Standards Board
FC	Finance Commission of Texas
FCA	Farm Credit Administration
FDIC	Federal Deposit Insurance Corporation
FDIC-OIG	FDIC Office of Inspector General

ACRONYM / ABBREVIATION	MEANING
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Authority
FHFA	Federal Housing Finance Agency
FinCEN	Financial Crimes Enforcement Network
FRB (or Fed or FR)	Federal Reserve Board or Federal Reserve
FTC	Federal Trade Commission
HUD	Housing and Urban Development Department
NCUA	National Credit Union Association
OCC	Office of the Comptroller of the Currency
OFAC	Office of Foreign Asset Control
OIG	Office of Inspector General
SDN	Specially Designated National
SEC	Securities and Exchange Commission
TDB	Texas Department of Banking
TXGOV	Office of the Texas Governor
TSSB	Texas State Securities Board
Treasury	U.S. Department of Treasury