Supervisory Update News Summary

As of October 15, 2026

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Announces New Initiative to Address OCC-Uncovered Debanking by Large Banks	Newsroom October 14, 2026	The Consumer Financial Protection Bureau (CFPB) announced the next step in its work to advance President Trump's fight against the debanking of businesses and individuals. The CFPB will address any consumer harm caused by the nation's largest banks in response to the Report on debanking practices by Office of the Comptroller of the Currency (OCC). The OCC report provides excerpts from bank documents, including emails, revealing this biased and discriminatory decision-making. The report shows that entire sectors were victims of debanking, most notably those related to firearms, oil and gas, and tobacco.	CFPB
CSBS Announces AI Supervisory Framework	Press Release September 16, 2026	CSBS released a new supervisory resource to support state examiners in assessing the use and risks of artificial intelligence (AI) at state-chartered banks and state-licensed nonbank financial institutions. The publicly released framework also helps provide clarity to regulated financial institutions on the general approach, types of questions, and the information that a state examiner may request regarding the institution's AI-based products, services, and tools. The framework doubles as a resource for industry. Financial institutions can use the framework to assess their own AI programs, establish sound AI governance and risk management, and prepare for examinations. Each state agency will determine the extent to which this framework is incorporated into their supervisory programs.	CSBS
CSBS Strongly Supports the FDIC's Proposed State Bank Parity Rule	Press Release September 17, 2026	The FDIC issued a proposed rule that would ensure that out-of-state, state-chartered banks can continue to engage in interstate activities under the same standards that apply to national banks. The proposal would align FDIC regulations with the intent of the Riegle-Neal Act and the realities of modern banking, where institutions increasingly serve customers without maintaining a physical branch in every state.	CSBS

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Community Bank Optimism Slips as Economic Uncertainty Grows	Press Release October 5, 2026	Community banker outlook on future conditions remained positive despite dropping for the fourth consecutive quarter, according to the 2026 third quarter results of the Community Bank Sentiment Index (CBSI). The latest CBSI dropped nine points from the prior quarter marked one of the largest in the survey's seven-year history. All but one of the seven CBSI components declined from last quarter. The sharpest drops occurred in monetary policy, which fell 26 points to 70, and future business conditions, which dropped 16 points to 83. Both are now below the neutral level, signaling concern over persistently higher-than-anticipated inflation and interest rates. Optimism around regulatory burden also continued to fade, falling seven points to 106 and down 24 points from its peak one year ago.	CSBS
New Technologies Bring Threats and Opportunities to Community Banks	Press Release October 6, 2026	Emerging technologies are having a sizeable impact on community banks, according to the 2026 CSBS Annual Survey of Community Banks. Net interest margins and core deposit growth remained the top two external risks, with nearly 60% of community bankers voicing concern about the potential impact of stablecoins on deposits and lending capacity amid a possible uneven regulatory implementation. Cybersecurity ranked as the top internal risk for the ninth consecutive year. Meanwhile, more than half of community bankers said they are actively piloting artificial intelligence programs.	CSBS
Texas Banking Commissioner Issues Order Against Rose Ellermann Prohibiting Further Participation	Press Release September 23, 2026	Texas Banking Commissioner Charles G. Cooper issued an Order Prohibiting Further Participation (Order) against Rose Ellermann of Houston, Texas. Pursuant to Texas Finance Code § 35.003, the Order provides that Ellermann is perpetually prohibited from serving as a director, officer, or employee of a state bank, state trust company, or holding company of a state bank, or as a director, officer, or employee with financial responsibility of any other entity chartered, registered, permitted, or licensed by the Commissioner	TDB

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Texas Banking Commissioner Issues Consent Order Against Jesse Romo Prohibiting Further Participation	Press Release September 24, 2026	Commissioner Charles G. Cooper issued a Consent Order Prohibiting Further Participation (Order) against Jesse Romo of San Antonio, Texas. Accordingly, pursuant to Texas Finance Code § 35.003, the Order provides that Romo is perpetually prohibited from serving as a director, officer, or employee of a state bank, state trust company, or holding company of a state bank, or as a director, officer, or employee with financial responsibility of any other entity chartered, registered, permitted, or licensed by the Commissioner.	TDB
Texas Banking Commissioner Issues Consent Order Relating to Set Forth, LLC	Press Release October 6, 2026	Texas Banking Commissioner Charles G. Cooper issued a Consent Order (Order) on October 5, 2026, relating to Set Forth, LLC, Schaumburg, Illinois (Set Forth). The Order is based on the Commissioner's finding that Set Forth violated Texas Finance Code Chapter 152 by conducting money transmission without obtaining a license from the Texas Department of Banking (Department). Set Forth agreed to the issuance of the Order without admitting violation of state or federal laws or regulations.	TDB
Texas Banking Commissioner Issues Consent Order Relating to Paycor, Inc.	Press Release October 8, 2026	Texas Banking Commissioner Charles G. Cooper issued a Consent Order (Order) on October 6, 2026, relating to Paycor, Inc. (Paycor), Rochester, New York. The Order is based on the Commissioner's finding that Paycor violated Texas Finance Code Chapter 152 by conducting money transmission without obtaining a license from the Texas Department of Banking (Department). Paycor agreed to the issuance of the Order without admitting violation of state or federal laws or regulations.	TDB

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FDIC Board of Directors Approves Proposed Rule on State Bank Parity	FIL-60-2026 September 17, 2026	The FDIC Board of Directors approved a notice of proposed rulemaking that would amend the agency's regulations to promote parity between state banks and national banks. Under the proposed rule, when host state laws do not apply to a national bank, those laws would similarly not apply to an out-of-state state bank providing services in the host state, regardless of whether the state bank has a branch in the host state. Consistent with section 24(j) of the Federal Deposit Insurance Act (FDI Act), the law of the state bank's chartering state would apply. The proposed rule would not affect the interest rates state banks are permitted to charge with respect to any of their loans, which are governed by section 27 of the FDI Act.	FDIC
FDIC Board of Directors Approves Proposed Rule to Modernize and Reform the FDIC's Framework for Reviewing Bank Merger Transactions	FIL-59-2026 September 17, 2026	The FDIC Board of Directors approved a notice of proposed rulemaking that would modernize and reform the process by which the FDIC reviews merger transactions under the Bank Merger Act (BMA). Notable reforms under the proposed rule would include: accounting for credit unions and centrally booked deposits in the competitive effects analysis; establishing a letter filing process with "deemed approval" for "*de minimis* merger transactions;" tailoring other merger filing requirements to reduce burden and processing times; limiting and clarifying the FDIC's discretion to remove a filing from expedited processing; and reforming the FDIC's approach to evaluating the statutory factors under the BMA. More broadly, the proposed rule would impose discipline around timelines and modernize the framework to better reflect today's banking environment.	FDIC

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FDIC Issues List of Banks Examined for CRA Compliance	Press Release October 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 July 2026. 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
FinCEN Assesses $1.2 Billion Penalty Against Bank of America	Press Release October 13, 2026	The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) announced that it has assessed a $1.2 billion penalty against Bank of America, N.A. (Bank of America) for its failure to mitigate and report priority national security risks, including Chinese money laundering networks and illicit finance along the southwest border. Concurrently, the Office of the Comptroller of the Currency assessed a $750 million civil money penalty for the bank's deficient and ineffective Bank Secrecy Act/anti-money laundering (BSA/AML) compliance program. In addition, the Office of Foreign Assets Control announced an $11.6 million settlement agreement with the bank over apparent violations of numerous sanctions programs, including on Iran, Russia, narcotics, and global terrorism. As part of its resolution with FinCEN, Bank of America admits that it willfully violated the BSA and failed to implement and maintain an AML program that met the minimum requirements of the BSA and FinCEN's implementing regulations, conduct due diligence for correspondent accounts for foreign financial institutions, and file Suspicious Activity Reports.	FinCEN, Treasury

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Federal Reserve Board Requests Public Comment on Two Proposals Related to Establishing a Regulatory Framework for Board-supervised Payment Stablecoin Issuers Under the GENIUS Act	Press Release September 24, 2026	The FRB requested public comment on two proposals related to establishing regulatory framework for Board-supervised payment stablecoin issuers under the GENIUS Act. The first proposal would require that Board-supervised payment stablecoin issuers fully back their stablecoins with certain permissible reserve assets, such as short-term Treasury bills and certain other high-quality, liquid assets. The second proposal would establish a tailored application process for Board-supervised banks applying to issue payment stablecoins.	FRB
Federal Reserve Board Finalizes Changes to Enhance the Transparency and Public Accountability of its Stress Test and Reduce Volatility in its Stress Test-Related Capital Requirements	Press Release September 30, 2026	The FRB finalized changes to enhance the transparency and public accountability of its stress test and reduce volatility in its stress test-related capital requirements. The two final rules are largely similar to the proposed rules from 2025. The Board also requested comment on a proposal to better capture differences in banks' business models to generate fee income. The Board conducts stress tests to ensure that large banks are sufficiently capitalized and able to lend to households and businesses even in a severe recession. In December 2024, the Board announced it would modify the test to improve its resilience.	FRB

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Governor Abbott Directs TCEQ To Halt Data Center Permits	Press Release September 21, 2026	Governor Greg Abbott directed the Texas Commission on Environmental Quality (TCEQ) to halt all permits sought by data centers until the Electric Reliability Council of Texas (ERCOT) completes its audit. Because the Public Utility Commission of Texas (PUCT), ERCOT, and the Texas Water Development Board (TWDB) require that information to make informed decisions, no state agency shall move forward with regulatory approvals related to data center development until it is acquired. "Simply put, Texans must come first," said Governor Abbott. "Data centers must pay their own way, protect our grid and water, and complete the ERCOT and TWDB audits. Until they do, TCEQ will issue no permits sought by data center projects."	TXGOV
Governor Abbott Waives Dyed-Diesel Restrictions	Press Release September 28, 2026	Governor Abbott issued a statewide disaster proclamation to allow expanded use of dyed diesel on Texas roads. The proclamation also raises the allowable weight for fuel, agricultural, and timber loads, and suspends Texas Low Emission Diesel (TxLED) rules to the extent the EPA authorizes. The Governor also requested that the EPA waive federal ultra-low sulfur diesel requirements. Dyed diesel is off-road fuel marked red, typically used in agricultural operations, and sold without a motor-fuels tax. Because it is untaxed, state law ordinarily bars its use on public roadways. The Governor's proclamation suspends state restrictions and associated penalties so operators can use such fuel on Texas roads. It does not waive the underlying fuel tax.	TXGOV

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Operation Economic Outcast Targets Iranian Regime's Abuse of Religious Charity Networks	Press Release October 15, 2026	As part of Operation Economic Outcast, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an Alert asking financial institutions to report potential Iranian regime abuse of religious charity networks, including diversion of religious tithes, or *khums*. The Iranian regime has been known to abuse ostensibly religious organizations in Iran and neighboring countries to enrich its elites, fund the repression of the Iranian people, and support terrorism abroad. In addition, the regime co-opts *khums* payments from the global Shi'a community to further its destabilizing activities. In some cases, organizations that collect these payments do so on behalf of prominent Iranian ayatollahs with ties to the regime. These entities may use informal financial channels like hawalas and cash couriers to remit the funds to Iran or to Iran-linked actors. FinCEN's Alert includes red flag indicators to aid financial institutions in detecting, preventing, and reporting this illicit activity.	Treasury, FinCEN
Concentrations of Credit: Revised Comptroller's Handbook Booklet and Rescissions	Bulletin 2026-49 September 30, 2026	The Office of the Comptroller of the Currency (OCC) issued today version 3.0 of the "Concentrations of Credit" booklet of the *Comptroller's Handbook*. Rescissions to 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.	OCC

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
OCC Imposes $750 Million Assessment Against Bank of America for Deficient BSA/AML Compliance	News Release 2026-89 October 13, 2026	The OCC announced a $750 million civil money penalty against Bank of America, N.A. (bank), for violations of the Bank Secrecy Act and its implementing regulations, including 12 CFR 21.21 and 12 CFR 21.11. This amount is the largest in OCC history. The bank is also subject to a December 2024 cease-and-desist order (2024 Order), which requires the bank to address its deficient Bank Secrecy Act/anti-money laundering (BSA/AML) compliance program. The OCC found that the bank's BSA/AML compliance program has been deficient and ineffective. The bank's deficient transaction monitoring system resulted in the bank failing to properly monitor trillions of dollars in transactions. This caused the bank to file large numbers of late suspicious activity reports (SARs) involving billions of dollars. Many of the late SARs had indicia of money laundering. The bank knew for years that it was failing to escalate potentially suspicious activities to investigators for review to determine if a SAR should be filed but failed to correct this serious BSA violation.	OCC

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FDIC	National Rates and Rate Caps (September 2026)
FDIC	FDIC Releases Results of Summary of Deposits Annual Survey (September 2026)
FDIC	Consolidated Reports of Condition and Income for Third Quarter 2026 (October 2026)
FRB	Discount Rate Meeting Minutes and FOMC Statement (October 2026)
FRB	Beige Book (October 2026)
FRB	2025 Survey of Consumer Finances Results (October 2026)
FRB-Dallas	Texas Employment Forecast (September 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