



FINREG Focus

U.S. Financial Services Regulatory Center Update

October 19, 2026

1. Office of the Comptroller of the Currency (OCC) reports findings from its review of large banks' debanking activities.
2. Commodity Futures Trading Commission (CFTC) clarifies regulatory boundary between event contracts and casino-style gambling.
3. Federal Reserve Vice Chair for Supervision Michelle Bowman outlines supervisory priorities following a review of 2023 bank failures.

Overview of Key Developments

1. OCC Reports Findings on Large Bank Debanking

What Happened?

On October 14, 2026, the OCC published [*Guaranteeing Fair Banking for All Americans*](#), presenting the results of the agency's review of customer-access decisions at the nine largest national banks under its supervision. The review was conducted in response to Executive Order 14331, which directed federal banking regulators to review whether financial institutions had policies or practices that may have influenced decisions to deny or limit financial services based on customers' political or religious beliefs or affiliations or lawful business activities.

The OCC reviewed nearly 100,000 complaints, hundreds of individual bank decisions, and approximately 420,000 pages of bank documents. The review focused principally on reputation risk practices and industry-specific restrictions. According to the report, all nine banks maintained broad reputation risk policies during the review period, *i.e.*, 2020 to 2025. The OCC found that these policies often lacked clear, measurable standards and objective criteria based on risk. This left room for public opinion or other nonfinancial factors to influence decisions about customers.

The report also describes restrictions or heightened reviews affecting certain lawful business sectors, including firearms, energy, digital assets, and tobacco-related businesses. The OCC indicated that some of these practices resulted in customers being denied services or subjected to additional conditions. The agency also identified instances in which customers received limited explanations regarding account closures or decisions not to provide services.

Why Does It Matter?

The report provides insight into the OCC's supervisory perspective on fair access to financial services and identifies areas that may receive continued regulatory attention. The agency emphasizes individualized, objective, and risk-based considerations in decisions concerning customers and prospective customers.

The report places particular emphasis on:

- **Decision criteria:** The use of defined, measurable, and risk-based criteria in customer-access decisions rather than reliance on generalized reputation concerns or categorical industry restrictions.
- **Governance and documentation:** Appropriate controls, documentation, and escalation processes supporting decisions to deny, restrict, or terminate customer relationships.
- **Customer communications:** Clear communication of customer decisions where appropriate, while recognizing legal restrictions, including suspicious activity report confidentiality requirements.
- **Monitoring and testing:** Processes for monitoring customer decisions, handling complaints, and testing whether relevant controls and policies operate as intended.

Through previous supervisory issuances, the OCC and FDIC removed references to reputation risk and have [prohibited their examiners](#) from criticizing or taking adverse action against institutions on that basis. The OCC is considering further rulemaking options concerning the use of reputation risk in bank decision making and discrimination based on political or religious beliefs. The agency is also considering additional guidance and other actions related to the risk-based application of *Bank Secrecy Act* requirements and is continuing to evaluate account termination practices, including whether additional guidance or regulations may be appropriate.

Separately, the Consumer Financial Protection Bureau (CFPB) announced a related initiative to review debanking practices under federal consumer financial laws (see page 6).

Despite its findings, the agency indicated that it could not comprehensively quantify the extent or customer cost of debanking across the nine institutions.

The Bottom Line:

The developments signal continued regulatory attention to whether customer access decisions are based on individualized, objective, and risk-based criteria and supported by appropriate governance, documentation, and communications. The OCC is considering additional policy actions.

Institutions outside the nine reviewed banks should assess any reputation risk language in customer access policies and confirm that *Equal Credit Opportunity Act* (ECOA) and *Fair Credit Reporting Act* (FCRA) adverse action notices are refined, given the CFPB's interest.

2. CFTC Clarifies Swap Definition for Event Contracts & Gambling Products

What Happened?

On October 9, the CFTC issued two separate but related rulemaking actions addressing the treatment of event contracts and casino-style gambling under the *Commodity Exchange Act* (CEA). The actions follow conflicting federal court decisions regarding whether certain sports-related event contracts qualify as swaps and resulting uncertainty over the scope of federal and state regulatory authority.

Interim Final Rule

The CFTC adopted [an interim final rule](#) excluding qualifying casino-style gambling products from the CEA definition of “swap.” The exclusion applies when two conditions are satisfied: the product is offered by a person authorized under applicable state or tribal law to offer gambling or gaming products or accept wagers and is regulated as gaming or gambling; and the product is not traded on a board of trade, organized exchange, swap execution facility, or another market where trades are executed multilaterally or subject to individual negotiation. Qualifying products include sports wagers, casino games, and other licensed games of chance. The interim final rule becomes effective immediately upon publication in the **Federal Register**, with comments due 30 days after publication.

Notice of Proposed Rulemaking

Separately, the [CFTC proposed](#) to expressly include event contracts within the definition of “swap,” including contracts based on sports-, politics-, cultural-, and weather-related events. The CFTC states that it has historically recognized many event contracts as swaps and that the proposal is intended to reduce interpretive uncertainty and promote uniform nationwide treatment of qualifying event contracts under its jurisdiction. Comments are due 30 days after publication in the **Federal Register**.

Why Does It Matter?

The actions seek to establish a clearer boundary between state- and tribal-regulated gambling products and federally regulated event contracts, even where the products may reference similar underlying events.

- **Product structure is central to the distinction.** The CFTC characterizes traditional casino-style gambling as generally involving bilateral transactions between an operator and customer, while event contracts may be traded on regulated markets through competing bids and offers at market-determined prices and centrally cleared.
- **The two actions have different regulatory status.** The casino-style gambling exclusion is an interim final rule that becomes effective upon **Federal Register** publication. The event-contract inclusion is a notice of proposed rulemaking (NPRM) and remains proposed.
- **The proposal reinforces the federal regulatory framework for event contracts.** The CFTC states that qualifying event contracts are subject to federal swaps requirements and its exclusive jurisdiction. Designated contract markets listing such contracts remain subject to applicable CEA requirements and core principles, including requirements addressing manipulation, market disruption, and protection of market participants.
- **The proposal could affect a range of derivatives market participants.** The CFTC identifies designated contract markets, swap execution facilities, swap dealers, major swap participants, and eligible contract participants among the entities potentially affected.

The Bottom Line:

The CFTC has adopted an interim final rule excluding qualifying casino-style gambling products from the swap definition while separately proposing to expressly include event contracts as swaps. Market participants should distinguish the exclusion established by the interim final rule from the event-contract classification that remains subject to notice and comment.

NCUA's Twelfth Round of Deregulation Proposals

On October 14, the National Credit Union Administration (NCUA) announced three proposed rules under its ongoing Deregulation Project. The proposals target requirements the agency has identified as obsolete, unnecessarily burdensome, or duplicative, while retaining requirements intended to support credit union safety, soundness, and resilience.

Fidelity Bond & Insurance Coverage

The NCUA [proposed amendments](#) to 12 CFR Parts 704 and 713 to simplify fidelity bond requirements for federally insured credit unions and corporate credit unions. The changes would remove or modify certain requirements governing bond purchases and renewals, approved bond forms, and guidance on appropriate coverage levels. Credit unions would continue to be required to maintain adequate fidelity bond coverage, and the NCUA would retain oversight of approved bond forms. The agency characterized the changes as reducing unnecessary regulatory burden while maintaining protections against fraud, dishonesty, theft, and other covered losses.

Incidental Powers

[The agency proposed amendments](#) to 12 CFR Part 721 that would clarify the process federal credit unions use when seeking approval to conduct an activity that is not already recognized as an authorized incidental power. Federal credit unions would be able to apply directly to the NCUA Board for approval. They could still seek guidance from the NCUA Office of General Counsel, but an advisory opinion would not be required before submitting an application to the Board. The proposal is intended to remove regulatory language that has created confusion over whether that additional step is mandatory.

Central Liquidity Facility

The NCUA also [proposed amendments](#) to 12 CFR Part 725, which governs the Central Liquidity Facility. The proposal would incorporate certain regulatory changes adopted during the COVID-19 pandemic, eliminate outdated provisions, and simplify Central Liquidity Facility membership and reporting requirements. It would also provide additional flexibility for capital stock subscription adjustments and make technical changes intended to improve regulatory clarity and consistency. The NCUA stated that the changes are designed to modernize the regulations while preserving the facility's role as a contingent liquidity source for credit unions.

Practical Considerations

If finalized, the proposals would reduce administrative requirements across three distinct areas of credit union operations: fidelity bond administration, applications for new incidental powers, and Central Liquidity Facility participation, and reporting. Because the changes remain proposed, affected credit unions should evaluate the specific amendments against their existing processes and determine whether there are issues they may want to address through the comment process. Comments are due December 14, 2026.

3. Bowman Speech on Supervisory Priorities

What Happened?

On October 14, Bowman [outlined lessons](#) from an independent review of the 2023 failure of Silicon Valley Bank (SVB) and discussed potential changes to improve supervisory effectiveness. The review's preliminary findings indicate that supervisors had information about SVB's significant interest rate and liquidity vulnerabilities at least nine months before its failure, but uncertainty over decision-making authority and a lack of clear accountability impeded timely supervisory action.

Bowman highlighted that SVB had 54 matters requiring attention (MRAs) or matters requiring immediate attention (MRIAs) between 2019 and its failure, yet none required the bank to address its core financial risks. She argued that supervisory attention had focused heavily on process, procedures, governance, and controls rather than sufficiently addressing underlying interest rate and liquidity exposures. The review also challenges earlier explanations that social media caused the run on SVB or that statutory tailoring or regulatory changes caused the Federal Reserve's failure to act, instead pointing to long-standing supervisory accountability and decision-making problems as significant contributors to the lack of timely action.

Why Does It Matter?

Bowman emphasized a supervisory modernization approach centered on material risk, timely action, clearer accountability, and proportionality. She said the Federal Reserve System is considering changes to its supervisory decision-making framework aimed at strengthening accountability across the Board and Reserve Banks, giving examiners and supervisory leaders greater clarity regarding who can make decisions, and creating more direct pathways for examination teams to escalate significant concerns to senior supervisory officials.

Bowman also emphasized distinguishing issues capable of threatening safety and soundness from matters presenting less significant financial risk. She said proportionality does not mean weaker supervision, but instead tailoring supervisory intensity based on factors including an institution's size, complexity, activities, business model, interconnectedness, and potential impact on financial stability. The emphasis on directing MRAs at material financial risk parallels the OCC and FDIC final rule on MRAs and the Federal Financial Institutions Examination Council's (FFIEC) proposed CAMELS revisions, suggesting the Fed is moving in the same direction through internal changes even though it did not join that rule.

The speech extends these themes internationally. Bowman called for the Basel Committee on Banking Supervision and Financial Stability Board to concentrate on material risks and more rigorously validate the data and analysis supporting international standards. Bowman said the independent review found that the organizations relied on earlier U.S. reports based on incomplete information and generally repeated existing claims rather than independently verifying the underlying information.

The Bottom Line:

Bowman's remarks emphasize a supervisory approach focused on material financial risks, timely intervention, clear decision-making authority, and proportionality. The specific enhancements discussed remain under consideration, but the approach she outlined would place greater emphasis on identifying and addressing significant financial vulnerabilities before they threaten an institution's safety and soundness.

CFPB Expands Supervisory & Enforcement Focus on Debanking

On October 14, the CFPB [announced an initiative](#), consistent with Executive Order 14331, focused on potential violations of federal consumer financial laws arising from debanking practices. The agency will investigate whether institutions identified in the OCC's recent debanking review, as well as other institutions, complied with federal consumer financial laws and will take appropriate action.

The CFPB identified several existing consumer protection authorities through which it may evaluate potentially unlawful debanking practices, including the adverse action notice requirements of ECOA and FCRA, and prohibitions on unfair, deceptive, or abusive acts or practices (UDAAPs).

The initiative extends beyond a review of the OCC's findings. The CFPB said it has been reviewing consumer complaints and supervisory and enforcement data for evidence of potentially unlawful debanking and is pursuing its own investigations based on that information. The agency also previously reviewed its Examination Manual, guidance, regulations, and other materials used to regulate or examine financial institutions to ensure they do not contain reputation risk concepts that could result in unlawful debanking. In addition, the CFPB recently updated its website and complaint portal to raise awareness about debanking and continues to encourage consumers who believe they have been debanked to submit complaints.

The announcement expands the federal focus on debanking into the CFPB's supervisory and enforcement jurisdiction and signals that scrutiny may extend beyond the institutions covered by the OCC's review. Rather than creating a new prohibition, the CFPB is positioning existing consumer financial protection authorities, complaint information, supervisory data, and enforcement investigations as tools for addressing potentially unlawful debanking practices.

Recent Key Regulatory Developments

Federal Reserve Board

Date	Topic	Summary
10/14	Fed Vice Chair Bowman Outlines Supervisory Modernization Priorities	The Fed is considering changes to clarify supervisory decision-making authority, accountability, and escalation, while emphasizing timely action on material risks and proportionate supervision.

Office of the Comptroller of the Currency

Date	Topic	Summary
10/14	OCC Releases Report on Large Banks' Debanking Activities	The OCC released findings from its supervisory review of the nine largest national banks it supervises, finding that all nine had policies between 2020 and September 2025 that may have influenced decisions to deny or limit financial services based on political or religious beliefs or lawful business activities, and stated that it is considering further regulatory and supervisory changes.

National Credit Union Administration

Date	Topic	Summary
10/14	NCUA Announces Twelfth Round of Deregulation Proposals	The NCUA requested comment on three proposals that would simplify fidelity bond requirements, clarify the process for federal credit unions seeking approval of incidental powers, and modernize Central Liquidity Facility membership and reporting requirements.

Consumer Financial Protection Bureau

Date	Topic	Summary
10/14	CFPB Launches Initiative to Address Potential Unlawful Debanking	The CFPB announced an initiative to investigate whether large banks identified in the OCC's debanking report, and other institutions, complied with federal consumer financial laws, including ECOA, FCRA adverse-action requirements, and UDAAP standards.

Recent Key Regulatory Developments

Securities & Exchange Commission

Date	Topic	Summary
10/13	FINRA Launches Enhanced Investor Education and Protection Tools	FINRA launched a new Market Data and Investments Explorer providing market, product, and company information and enhanced its Risk and Scam Meters to help retail investors identify fraud risks and recognize common scam tactics.
10/14	SEC Trading and Markets Director Discusses Market Structure Priorities	Jamie Selway, director of the SEC Division of Trading and Markets, discussed ongoing market structure initiatives, including the proposed rescission of Rule 611 and related reviews of Rules 610 and 612, best execution, the transition to the CT Plan, tokenized securities, and emerging securities products and trading venues.
10/15	SEC Proposes Modernization of Investment Company Cross-Trading Rules	The SEC proposed amendments to Rule 17a-7 that would expand eligible cross trades to include securities valued using Level 2 observable inputs, including most fixed-income securities, establish updated pricing and adviser best-interest requirements, shift certain cross-trade review responsibilities from fund boards to CCOs, and add cross-trading reporting to Forms N-PORT and N-MFP.
10/15	SEC Updates Securities Offering and Reporting Interpretations	The SEC Division of Corporation Finance published new and revised staff interpretations addressing Rule 457 registration fee calculations, Rule 701 compensatory offerings, Form S-8 registration matters, and Form 4 reporting under <i>Exchange Act</i> Section 16.

Commodity Futures Trading Commission

Date	Topic	Summary
10/9	CFTC Proposes Including Certain Event Contracts in Swap Definition	The CFTC proposed further defining “swap” to expressly include event contracts, including those based on sports, politics, and cultural and weather-related events, seeking to clarify the treatment of these products as commodity derivatives under the <i>Commodity Exchange Act</i> .
10/9	CFTC Excludes Casino-Style Gambling Products From Swap Definition	The CFTC issued an interim final rule codifying its long-standing position that casino-style gambling products, including sportsbook wagers and casino games, are excluded from the definition of “swap,” clarifying the limits of the agency’s regulatory remit under the <i>Commodity Exchange Act</i> .

Recent Key Regulatory Developments

Financial Stability Board

Date	Topic	Summary
10/12	FSB Outlines Work on AI and Global Stablecoins	The FSB outlined financial stability risks related to AI and ongoing work to strengthen monitoring of cross-border vulnerabilities associated with global stablecoin arrangements and support implementation of its 2023 recommendations.
10/14	FSB Consults on Regulatory and Supervisory Modernization Principles	The FSB proposed eight high-level principles to help financial authorities develop more effective, efficient, risk-focused and forward-looking regulatory, and supervisory frameworks, with comments due January 8, 2027.
10/15	FSB Finalizes Sound Practices for Responsible AI Adoption	The FSB finalized 12 sound practices addressing organizationwide AI governance and risk management throughout the AI lifecycle, including data governance, explainability, human oversight, cyber and ICT risks, and third-party AI dependencies.

Basel Committee on Banking Supervision

Date	Topic	Summary
10/16	Basel Committee Finalizes G-SIB Framework Amendments	The BCBS finalized measures requiring stock G-SIB indicators to be reported using annual averages rather than year-end values beginning in 2030 and increased the reporting threshold to EUR 350 billion beginning in 2027; separately, the Committee launched a consultation on incorporating its previously agreed treatment of cross-border exposures within the European Banking Union into the G-SIB methodology.

International Organization of Securities Commissions

Date	Topic	Summary
10/14	CPMI and IOSCO Finalize Guidance on FMIs' General Business Risks	CPMI and IOSCO issued final supplemental guidance to the Principles for Financial Market Infrastructures addressing how financial market infrastructures identify, monitor, and manage general business risks, determine minimum liquid net assets funded by equity to cover potential business losses, and maintain governance and transparency around those risks.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on third-party risk management guidance	Nov 16, 2026
Treasury	Comments due on GENIUS Act regulations on payment stablecoin issuance, offer, and sale	Oct 19, 2026
	Comments due on Regulation O changes for loans to insiders	Nov 4, 2026
	Comments due on third-party risk management guide for community banks	Nov 16, 2026
FRB	Comments due on the Federal Reserve Board's responsibilities under the GENIUS Act	Nov 30, 2026
	Comments due on application procedures for subsidiaries to issue payment stablecoins	Nov 30, 2026
	Comments due on model changes for the Board's 2027 supervisory stress test	Dec 1, 2026
	Comments due on extensions of credit to insiders	Nov 4, 2026
FDIC	Comments due on merger transactions	Nov 23, 2026
	Comments due on state bank parity	Nov 23, 2026
	Comments due on proposed Form 5300 stablecoin reporting changes	Dec 8, 2026
NCUA	Comments due on powers of FCUs	Dec 14, 2026
	Comments due on Central Liquidity Facility	Dec 14, 2026
	Comments due on corporate credit unions; fidelity bond and insurance coverage for FCUs	Dec 14, 2026
	Comments due on Regulation Crypto Assets	Oct 20, 2026
	Comments due on transfer agent rules	Nov 3, 2026
	Comments due on political contributions by certain investment advisors (rescission)	Nov 9, 2026
	Comments due on proxy solicitation modernization	Nov 20, 2026
SEC	Comments due on rescission of Rule 14a-8, amendments to Rule 14a-4	Nov 20, 2026
	Comments due on interval fund modernization and expansion of multiple share classes	Dec 4, 2026
	Comments due on investment adviser performance-based compensation modernization	Dec 7, 2026
	Comments due on advisor and regulated fund custody rules; crypto custody rules	Dec 7, 2026
	Comments due on investment company cross trading	Dec 14, 2026

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
CFTC	Comments due on listing of compute derivatives contracts	Oct 20, 2026
	Comments due on Regulation Crypto Asset Transactions and Regulation Crypto Asset Markets	Dec 14, 2026
FinCEN	Comments due on proposed special measure involving A7 Network sub-agents	Nov 4, 2026
FASB	Comments due on improvements for the 2027 SEC Reporting Taxonomy	Oct 30, 2026
	Comments due on Codification improvements	Nov 19, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	Financial Data Transparency Act joint data standards	Oct 1, 2026
	Unsafe or unsound practices, matters requiring attention	Nov 2, 2026
FRB	Enhanced transparency and public accountability of supervisory stress test models and scenarios	Nov 2, 2026
	Modifications to the capital plan rule and stress capital buffer requirement	Dec 1, 2026
FDIC	FDIC official signs and advertisement of membership	Apr 1, 2027
NCUA	Simplification of share insurance rules	Dec 1, 2026
SEC	Form N-PORT and N-CEN reporting requirements¹	Nov 17, 2027
		May 18, 2028
CFTC	Swap clearing requirements for the transition from CDOR and TIIE to CORRA and F-TIIE	Oct 8, 2026
	Whistleblower Award Determination	Oct 16, 2026
SEC/CFTC	Form PF reporting requirements	Jul 1, 2027
FinCEN	AML/CFT program and suspicious activity report filing requirements for registered investment advisers and exempt reporting advisers	Jan 1, 2028

1. Compliance dates based on asset size: November 17, 2027 for fund groups with net assets of \$1 billion or more; and May 18, 2028 for fund groups with less than \$1 billion in net assets as of the end of their most recent fiscal year-end.

Agencies Without Recent Key Developments

Several key regulators maintained their prior positions for the period, with no new actions to report, including:

- Legislative
- Financial Stability Oversight Council
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Federal Deposit Insurance Corporation
- Financial Crimes Enforcement Network
- Financial Accounting Standards Board



U.S. Financial Services Regulatory Center Recent FORsights™

We're committed to changes and obligations regulators demand, helping you meet business objectives and enhance shareholder value. For more information on our latest work, please see our FORsights below:



[Quarterly Insights: Financial Services Q2 2026](#)

Download our Q2 2026 insights featuring major regulatory and supervisory developments.



[Agencies Propose CRA Revisions for Lending Accountability](#)

OCC and FDIC propose targeted CRA updates for lending and community development grants.



[What the Agencies' TPRM Overhaul Signals for Bank Oversight](#)

Explore how the proposed TPRM guidance may affect banks and vendor risk programs.



[SEC Implementation of Daily Rule 15c3-3 Reserve Computations](#)

Explore how daily reserve computations affect sweep activity and customer credits.



[The New FDIC Two-Phase Deposit Insurance Review](#)

Explore the FDIC's new review framework and what it means for your application.



[Implications of the Updated Interagency MRM Guidance](#)

Understand evolving guidance in model risk management.



[Treasury Clearing Changes Broker-Dealers Should Know](#)

Learn about SIFMA's done-away clearing documents and the impacts on Treasury clearing compliance.



[FFIEC Proposes Sweeping Overhaul of CAMELS Framework](#)

Discover proposed CAMELS overhaul linking ratings to material risk and transparency.

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