

# FINREG Focus

## U.S. Financial Services Regulatory Center Update

April 6, 2026

### Executive Summary

#### This update's headline items:

1. U.S. Department of the Treasury (Treasury) proposes framework for state-level stablecoin regulation under the *GENIUS Act*.
2. Office of the Comptroller of the Currency (OCC) rescinds recovery planning guidelines for certain large banks.
3. SEC allows broker-dealers to use equities as collateral.
4. U.S. Department of Labor (DOL) proposes rule clarifying fiduciary duties for selecting investment options in defined contribution plans.
5. SEC Division of Trading and Markets staff issues frequently asked questions clarifying Rule 17ad-22.

### Overview of Key Developments

1. Treasury issued a [Notice of Proposed Rulemaking](#) (NPRM) to solicit public comment on the implementation of certain provisions of the *GENIUS Act* related to state-level regulatory regimes for payment stablecoin issuers. The proposal would establish broad, principles-based criteria to determine when a state regulatory framework is “substantially similar” to the federal framework, which is a key condition for allowing smaller issuers, those with \$10 billion or less in outstanding stablecoins, to opt for state supervision rather than federal oversight. The NPRM focuses on the “meets or exceeds” provisions of the *GENIUS Act* as a central element in determining when a state regime qualifies as “substantially similar” to the federal framework. For a state regulatory framework to be recognized as “substantially similar,” the framework must meet or exceed federal standards across key areas such as prudential requirements, supervisory authority, and consumer protection. For purposes of defining federal standards, the NPRM would not require a state framework to meet any guidance or interpretations issued by federal payment stablecoin regulators unless it is published in the **Federal Register**. Public comment will be accepted for 60 days following publication of the NPRM in the **Federal Register**.

2. The OCC [published a final rule](#) rescinding the Guidelines Establishing Standards for Recovery Planning (12 CFR 30, appendix E). The recovery planning guidelines were originally issued in 2016 and required covered institutions to maintain detailed recovery plans addressing indicators of stress, recovery options, governance, internal escalation procedures, and communications. The action removes the prescriptive recovery planning requirements applicable to covered institutions, including OCC-supervised national banks, federal savings associations, and federal branches with at least \$100 billion in average total consolidated assets. The rescission is effective May 1, 2026.

The OCC noted these guidelines impose unnecessary regulatory burden and duplicate broader risk-management expectations as supervisory objectives related to resiliency, capital, liquidity, and contingency planning are addressed through other regulatory and supervisory tools. The final rule also results in the rescission of related supervisory materials, including the Recovery Planning booklet of the Comptroller's Handbook and prior OCC bulletins associated with the recovery planning framework.

3. On March 30, 2026, the SEC took coordinated action to modernize how broker-dealers may use equity securities as collateral under Rule 15c3-3. Through a Division of Trading and Markets staff letter and a separate Commission order, the SEC provided targeted relief that expands the use of equities in securities lending and collateral arrangements. Together, the actions permit an “equity-for-equity” framework that allows broker-dealers to pledge certain highly liquid, diversified equity securities as collateral in defined customer and proprietary account contexts.

From a regulatory perspective, the relief reflects a targeted adjustment to the application of existing customer protection requirements. From a business perspective, the changes permit greater flexibility in collateral usage and reserve-formula treatment. The SEC made clear that the expanded flexibility comes with heightened expectations. Broker-dealers relying on the relief are expected to maintain robust daily controls, mark-to-market processes, clear allocation methodologies between customer and proprietary accounts, and well-documented policies that can withstand supervisory scrutiny. The Commission emphasized that modernization does not diminish the core principles of Rule 15c3-3, including segregation, transparency, and accountability.

These developments mark a meaningful evolution in the SEC’s approach to collateral eligibility and broker-dealer operations. For more details, refer to our **FORsights**™ article, [“SEC Allows Broker-Dealers to Use Equities as Collateral.”](#)

4. The DOL Employee Benefits Security Administration issued a [proposed rule](#) to clarify fiduciary obligations under the *Employee Retirement Income Security Act of 1974* (ERISA) when selecting designated investment alternatives for participant-directed individual account plans, including 401(k) plans. The proposal establishes a process-based safe harbor for satisfying ERISA’s duty of prudence and applies broadly to all designated investment alternatives, including asset allocation funds that may include alternative assets. The rule does not mandate or restrict particular investments; instead, it focuses on the fiduciary process used to evaluate, select, and offer investment options.

The proposal implements Section 3(c) of [Executive Order 14330](#), which directed the DOL to consider regulatory or interpretive guidance addressing fiduciary obligations and litigation risk when fiduciaries evaluate investments that include alternative assets.

Under the proposed safe harbor, a fiduciary’s selection of a designated investment alternative would be deemed prudent if it follows a reasoned and well-documented process that considers six factors:

- **Performance:** Expected risk-adjusted returns, net of fees, relative to a reasonable range of comparable alternatives and consistent with the plan’s purpose;
- **Fees & Expenses:** Reasonableness of fees considering expected returns net of fees and other value provided;
- **Liquidity:** Whether liquidity characteristics are appropriate for participant-level and plan-level needs;
- **Valuation:** The reliability and timeliness of valuation methodologies, including independence and conflict-free processes;
- **Performance Benchmarks:** The use of meaningful benchmarks to assess performance relative to similar strategies and risks; and
- **Complexity:** Whether the fiduciary has sufficient knowledge and experience to evaluate and monitor the investment or has engaged qualified assistance to do so.

The DOL characterizes these factors as a clarification of existing ERISA prudence principles rather than a substantive change to the standard of care. The proposal is open for public comment through June 1, 2026.

5. The SEC’s Division of Trading and Markets has published [staff Frequently Asked Questions](#) (FAQs) clarifying aspects of Rule 17ad-22 regarding central clearing of Treasury securities. The guidance explains that mixed-CUSIP triparty repurchase agreements where Treasuries are allocated through a pre-existing collateral eligibility schedule are generally not “eligible secondary market transactions,” and objective indicators at trade execution, e.g., the collateral type selected, determine scope. In addition, the FAQ clarifies that transactions with the Federal Reserve are excluded from the definition of “eligible secondary market transactions.”

# Recent Key Regulatory Developments

## U.S Department of the Treasury

Date	Topic	Summary
4/1	<a href="#">Treasury Proposes Framework for State-Level Stablecoin Regulation Under the GENIUS Act</a>	Treasury issued a Notice of Proposed Rulemaking under the <i>GENIUS Act</i> proposing principles for determining when a state payment stablecoin regulatory regime is substantially similar to the federal framework, allowing eligible issuers to operate under state supervision.

## Office of the Comptroller of the Currency

Date	Topic	Summary
3/31	<a href="#">OCC Rescinds Recovery Planning Guidelines for Large Banks</a>	OCC issued a final rule rescinding its recovery planning guidelines for banks with \$100 billion or more in average total consolidated assets, concluding the guidelines imposed unnecessary regulatory burden without materially improving safety and soundness.
3/31	<a href="#">OCC Reports Strong Mortgage Performance in Q4 2025</a>	OCC reported that 97.5% of first-lien mortgages held by OCC-supervised banks were current and performing at year-end 2025, with serious delinquencies unchanged from a year earlier and foreclosure initiations declining from the prior quarter, reflecting generally stable mortgage credit performance.
3/31	<a href="#">OCC Reports Decline in Bank Trading Revenue in Q4 2025</a>	OCC reported that U.S. commercial banks and savings associations generated \$14.9 billion in cumulative trading revenue in Q4 2025, with quarterly trading revenue down 16.3% from the prior quarter and derivatives activity remaining highly concentrated among a small number of large banks.
4/1	<a href="#">OCC Releases CRA Performance Evaluations</a>	OCC released the results of its CRA performance evaluations for national banks, federal savings associations, and insured federal branches of foreign banks completed in March 2026.

## Federal Deposit Insurance Corporation

Date	Topic	Summary
3/31	<a href="#">FDIC Reports Strong Consumer Compliance Performance in Spring 2026 Report</a>	FDIC's Consumer Compliance Supervisory Highlights report shows that 98% of FDIC-supervised institutions were rated satisfactory or better for consumer compliance in 2025. Still, examinations identified recurring violations in <i>Truth in Lending Act</i> (TILA), <i>Electronic Fund Transfer Act</i> (EFTA), and flood insurance requirements in addition to an increase in consumer complaints year over year, particularly involving credit reporting and third-party service providers.
4/2	<a href="#">FDIC Releases Q1 2026 Consolidated Reports of Condition &amp; Income Guidance</a>	FDIC issued clarifications to the Call Report instructions and submission deadlines, noting that there are no new data items or form revisions this quarter.

## Recent Key Regulatory Developments

### National Credit Union Administration

Date	Topic	Summary
3/30	<a href="#">NCUA Launches New Online Charter System for Credit Union Applications</a>	NCUA announced the release of Phase 1 of a new online chartering system that streamlines the initial application process for new federal credit unions by focusing on preliminary field-of-membership approval, with additional phases and a fully automated system planned for future release expected in 2027.

### Consumer Financial Protection Bureau

Date	Topic	Summary
3/31	<a href="#">CFPB Releases 2025 HMDA Mortgage Lending Data</a>	CFPB announced that modified loan-level <i>Home Mortgage Disclosure Act</i> (HMDA) data for 2025, covering approximately 4,768 reporting institutions, is now publicly available on the Federal Financial Institutions Examinations Council (FFIEC) HMDA Platform to support analysis of mortgage market activity while protecting consumer privacy.

### Securities and Exchange Commission

Date	Topic	Summary
3/30	<a href="#">SEC Permits Use of Equities as Collateral When Broker-Dealers Borrow Customer Securities</a>	SEC issued an order permitting broker-dealers that borrow fully paid or excess margin equity securities from certain institutional lenders to pledge a diversified basket of Russell 1000 or S&P 500 equity securities as collateral under Rule 15c3-3, subject to specified conditions.
3/30	<a href="#">SEC Permits Equity-for-Equity Collateral Arrangements Subject to Specified Conditions</a>	SEC stated it would not recommend enforcement action if broker-dealers pledge certain customer or PAB equity securities as collateral for equity securities borrowed to cover “short sales” or “fails to deliver” and include corresponding debits and credits in the customer or PAB reserve formulas.
3/30	<a href="#">FINRA Proposes IPO and Spinning Exemptions for Collective Trust Funds</a>	FINRA filed a proposed rule change (SR-FINRA-2026-007) to grant a categorical exemption from Rules 5130 and 5131(b) to widely held collective trust funds (CTFs), aligning their treatment with registered investment companies for initial public offering (IPO) allocations.
3/30	<a href="#">SEC Staff Issues Treasury Clearing Frequently Asked Questions</a>	SEC released staff FAQs providing interpretive guidance on the Treasury clearing rule, including how Rule 17ad-22 applies to eligible secondary market transactions in U.S. Treasury securities, with clarifications on the treatment of certain triparty repo transactions and other clearing-related issues.
4/1	<a href="#">SEC Staff Issues Updated Frequently Asked Questions Clarifying Rule 605 Execution Quality Reporting</a>	SEC released updated staff FAQs providing interpretive guidance on amended Rule 605 of Regulation NMS, clarifying reporting scope, covered order treatment, and execution quality disclosures ahead of the August 1, 2026 compliance date.

### Financial Crimes Enforcement Network

Date	Topic	Summary
3/30	<a href="#">FinCEN Proposes Rule to Pay Whistleblowers</a>	FinCEN issued a notice of proposed rulemaking to implement its whistleblower program by establishing procedures, eligibility criteria, and protections for individuals who report <i>Bank Secrecy Act</i> (BSA), sanction, and other illicit finance violations.

# Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	<a href="#">Comments due on regulatory capital rule &amp; the standardized approach for risk-weighted assets</a>	Jun 18, 2026
	<a href="#">Comments due on regulatory capital framework for Category I &amp; II banking organizations</a>	Jun 18, 2026
FSOC	<a href="#">Comments due on the framework for nonbank financial company determinations</a>	May 14, 2026
OCC	<a href="#">Comments due on bank appeals process proposal</a>	Apr 20, 2026
	<a href="#">Comments due on proposal implementing GENIUS Act for OCC supervised entities</a>	May 1, 2026
FRB	<a href="#">Comments due on removal of reputation risk from the FRB's supervisory programs</a>	Apr 27, 2026
	<a href="#">Comments due on G-SIB surcharge proposal</a>	Jun 18, 2026
FDIC	<a href="#">Comments due on FDIC proposed application procedures to issue payment stablecoins</a>	May 18, 2026
	<a href="#">Comments due on permitted payment stablecoin issuer applications</a>	Apr 13, 2026
	<a href="#">Comments due on organization &amp; operation of federal credit unions</a>	Apr 13, 2026
	<a href="#">Comments due on mergers of insured credit unions &amp; voluntary termination or conversion of insured status</a>	Apr 13, 2026
	<a href="#">Comments due on conversion of insured credit unions to mutual saving banks</a>	Apr 13, 2026
	<a href="#">Comments due on definitions related to statutory lien</a>	Apr 27, 2026
	<a href="#">Comments due on credit union service contracts</a>	Apr 27, 2026
	<a href="#">Comments due on rescission of regulation that addresses refund of interest to members</a>	Apr 27, 2026
	<a href="#">Comments due on streamlining regulations for the purchase, sale, &amp; pledge of eligible obligations</a>	Apr 27, 2026
	<a href="#">Comments due on federally insured credit union official &amp; employee compensation</a>	Apr 27, 2026
NCUA	<a href="#">Comments due on post-election training for new board members</a>	Apr 27, 2026
	<a href="#">Comments due on record preservation, appendices-record retention &amp; catastrophic act preparedness</a>	May 11, 2026
	<a href="#">Comments on eliminating prescriptive regulations on third-party servicing of indirect vehicle loans</a>	May 26, 2026

## Deadlines & Compliance Calendar

Agency	Requirement	Due Date
SEC	<a href="#">Comments due on proposed amendments to Form N-PORT reporting requirements</a>	Apr 24, 2026
	<a href="#">Comments due on FINRA arbitration rules &amp; processes</a>	May 1, 2026
	<a href="#">Comments due on proposed amendments to Rule 15c2-11</a>	May 18, 2026
CFTC	<a href="#">Comments due on event contract derivatives traded on prediction markets</a>	Apr 30, 2026
FinCEN	<a href="#">Comments due on whistleblower incentives &amp; protections</a>	June 1, 2026

## Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	<a href="#">Enhanced supplementary leverage ratio, total loss-absorbing capacity, &amp; long-term debt requirements</a>	Dec 1, 2026
OCC	<a href="#">OCC's updated national bank chartering final rule</a>	Apr 1, 2026
	<a href="#">OCC community bank licensing amendments</a>	Apr 3, 2026
	<a href="#">Elimination of the Fair Housing Home Loan Data System &amp; the associated national bank-specific home loan data collection &amp; recordkeeping requirements</a>	Apr 3, 2026
	<a href="#">Rescission of OCC Guidelines Establishing Standards for Recovery Planning</a>	May 1, 2026
FDIC	<a href="#">Rescission of the statement of policy on qualifications for failed bank acquisitions</a>	Mar 23, 2026
	<a href="#">FDIC official signs &amp; advertisement of membership</a>	Apr 1, 2027
NCUA	<a href="#">Simplification of share insurance rules</a>	Dec 1, 2026
SEC	<a href="#">Directors &amp; officers of foreign private issuers with <i>Exchange Act</i>-registered equity securities to comply with Section 16 beneficial ownership &amp; transaction disclosure requirements</a>	Mar 18, 2026
	<a href="#">Application of the federal securities laws to certain types of crypto assets</a>	Mar 23, 2026
	<a href="#">Compliance with amended FINRA capital acquisition broker rules</a>	Mar 25, 2026
	<a href="#">Temporary exception for reporting qualifying overnight transactions prior to 8:00 a.m. ET</a>	Mar 30, 2026
	<a href="#">Form N-PORT (for funds with \$1 billion or greater in net assets) &amp; all N-CEN reporting requirements</a>	Nov 17, 2027
	<a href="#">Form N-PORT reporting requirements for fund groups with less than \$1 billion in net assets</a>	May 18, 2028
FinCEN	<a href="#">AML/CFT program &amp; suspicious activity report (SAR) filing requirements for registered investment advisers &amp; exempt reporting advisers</a>	Jan 1, 2028

## 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 Committee
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Federal Reserve Board
- Commodity Futures Trading Commission
- Financial Accounting Standards Board
- Financial Stability Board
- Basel Committee on Banking Supervision
- International Organization of Securities Commission

# 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 Q4 2025](#)

Download our Q4 2025 insights on digital transformation, tokenization, and more.



### [FRB's New Supervisory Operating Principles: Impact on Internal Audit](#)

FRB's new principles shift focus to IA for risk management and oversight in financial institutions.



### [An Overview of the Modernization of the U.S. Regulatory Capital Framework](#)

A breakdown of proposals on Revised Standardized Approach, Basel III/ERBA, and G-SIB Recalibration.



### [U.S. Agencies Propose Updates to Community Bank Leverage Ratio \(CBLR\)](#)

U.S. banking agencies propose revisions to lower CBLR requirements and extend grace periods for banks.



### [Preliminary Insights on the OCC's Proposed Stablecoin Framework](#)

Preliminary insights on the OCC's proposed stablecoin framework and why it matters today for banks.



### [The OCC Increased the Application Threshold for Heightened Standards](#)

OCC raises heightened standards threshold to \$700 billion, easing regulatory burden for smaller banks.



### [Forvis Mazars' View: The Revitalization of Bank Mortgage Lending](#)

The FRB signals capital changes to revive bank mortgage lending for community and regional banks.



### [FDIC Updates Resolution Planning Expectations for Large IDIs](#)

FDIC updates resolution planning for large banks, refining requirements and filing expectations.

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