

FINREG Focus

U.S. Financial Services Regulatory Center Update

May 4, 2026

Executive Summary

This update's headline items:

1. The Office of the Comptroller of the Currency (OCC) clarifies bank interchange fee authority and preempts Illinois interchange law.
2. The Consumer Financial Protection Bureau (CFPB) finalizes revisions to small business lending rule under ECOA Regulation B.

Overview of Key Developments

1. The OCC clarifies national banks' powers to charge certain fees, including interchange fees, and preempts the *Illinois Interchange Fee Prohibition Act* (IFPA) ban on the collection of interchange fees on taxes and tips.

The OCC issued an [interim final rule](#) to amend 12 CFR 7.4002 to clarify that national banks' power to charge non-interest charges and fees includes the power to assess, collect, impose, levy, receive, reserve, take, or otherwise obtain non-interest charges and fees, including interchange fees from credit and debit card operations. Further, the rule confirms that a national bank's authority to assess and receive these fees does not depend on whether the national bank sets the fee itself or relies on a third party, such as a payment card network. To reinforce that point, the OCC is adopting a definition of "charge" to include fees obtained through intermediaries or partners and added interchange fees as a non-exclusive example of permissible non-interest charges.

At the same time, the OCC issued a separate [interim final order](#) concluding that federal law preempts the IFPA as applied to national banks and federal savings associations. The IFPA, which is set to take effect on July 1, 2026, would prohibit charging or receiving interchange fees on the tax and gratuity portions of card transactions and would restrict the use of payment card transaction data. Applying the U.S. Supreme Court's "prevents or significantly interferes" preemption standard, the OCC determined that these provisions conflict with powers granted under the *National Bank Act* and the *Home Owners' Loan Act*.

The OCC emphasized that compliance with the IFPA would impose substantial operational burdens, introduce inefficiency into nationwide payment card systems, and undermine uniform standards. The agency also highlighted safety and soundness concerns, particularly where the law would limit national banks' ability to use transaction data for fraud prevention and risk management. Based on these findings, the OCC concluded that national banks and federal savings associations are not required to comply with the IFPA. The order is effective June 30, 2026 and is subject to a public comment period.

Comments are requested on both the interim final rule and order through May 29, 2026. Both are scheduled to take effect thereafter on June 30, 2026.

2. The CFPB has [issued a final rule](#) revising its small business lending regulations under Regulation B, which implements Section 1071 of the *Equal Credit Opportunity Act* (ECOA). The final rule reflects the Bureau's reconsideration of elements of its prior framework governing small business lending data collection.

Key revisions in the final rule include:

- **Narrowed coverage of credit transactions**, excluding merchant cash advances, credit for agricultural purposes, and certain small-dollar loans from the definition of covered credit.
- **Revised coverage of financial institutions**, increasing the coverage threshold from 100 to 1,000 covered credit transactions originated in each of the two preceding calendar years and effectively excluding Farm Credit System lenders from coverage.
- **Updated definition of a “small business” for reporting purposes**, lowering the gross annual revenue threshold from \$5 million or less to \$1 million or less in the business's preceding fiscal year.
- **Streamlined data collection requirements**, removing discretionary data points added in the 2023 rule, specifically application method, application recipient, denial reasons, pricing information, and number of workers, and revising how business ownership status and principal-owner demographic information are collected.
- **Modified timing and manner of data collection**, eliminating non-statutory procedural requirements that dictated when and how certain applicant-provided data must be collected, in order to reduce operational complexity.
- **Extended and standardized compliance timing**, replacing the prior tiered compliance schedule with a single, uniform compliance date of January 1, 2028 for all covered financial institutions.

Section 1071 requires covered financial institutions to collect and report data on applications for credit from small businesses, including women-owned and minority-owned businesses, in order to facilitate fair lending enforcement and help communities, governmental entities, and creditors identify business and community development needs. The CFPB stated that the revised rule seeks to balance these statutory objectives with operational considerations raised during earlier implementation efforts.

The final rule becomes effective June 30, 2026 and establishes a uniform compliance date of January 1, 2028 for covered institutions.

Recent Key Regulatory Developments

Joint Banking Agencies

Date	Topic	Summary
5/01	Banking Agencies Issue Updated Host State Loan-to-Deposit Ratios	OCC, Federal Reserve, and FDIC issued updated host state loan-to-deposit ratios, which compare total loans to total deposits in each state and are used to assess whether interstate banks are meeting local credit needs consistent with statutory branching requirements, replacing the prior ratios issued in May 2025.

Federal Reserve Board

Date	Topic	Summary
4/29	Federal Reserve Holds Rates Steady as Inflation Remains Elevated and Uncertainty Persists	The Federal Open Market Committee maintained the federal funds rate at 3.5 to 3.75%, citing solid economic growth, elevated inflation partly driven by energy prices, and heightened uncertainty from global developments while signaling it will remain data-dependent on future policy adjustments.

Office of the Comptroller of the Currency

Date	Topic	Summary
4/24	OCC Issues Interim Final Rule and Interim Final Order Affirming Bank Fee Authority and Preempting Illinois Interchange Law	OCC issued an interim final rule clarifying that national banks may charge non-interest fees, including interchange fees set by third parties, and a separate interim final order concluding that federal law preempts <i>the Illinois Interchange Fee Prohibition Act's</i> restrictions on interchange fees and payment card data use for national banks and federal savings associations.

National Credit Union Administration

Date	Topic	Summary
4/30	NCUA Releases 2025 Cybersecurity and Credit Union System Resilience Report	NCUA's Cybersecurity and Credit Union System Resilience Report describes how the agency is strengthening supervisory oversight, examination practices, and interagency coordination to address growing cyber, third-party, and systemic operational risks facing the credit union system.

Consumer Financial Protection Bureau

Date	Topic	Summary
5/01	CFPB Finalizes 2026 Rule Revising Small Business Lending Requirements Under ECOA Regulation B	CFPB's final rule revises the Section 1071 small business lending framework under Regulation B by narrowing coverage, raising reporting thresholds, modifying required data points, and setting a uniform compliance date of January 1, 2028.

Recent Key Regulatory Developments

Securities & Exchange Commission

Date	Topic	Summary
4/28	SEC Chairman Paul Atkins Urges Regulatory Easing to Spur Small Business IPOs	In remarks at the Small Business Capital Formation Advisory Committee meeting, Chairman Paul Atkins emphasized easing regulatory burdens, including extended IPO on-ramp support and simplified shelf registration rules, to encourage more small businesses to go public and broaden capital formation opportunities.
4/28	FINRA Establishes New CAT Fees	In immediate-effect filings, FINRA introduced a prospective Consolidated Audit Trail fee for May to December 2026 (CAT Fee 2026-1 at \$0.000001 per share) and a Historical CAT Assessment 1A (\$0.000002 per share) to fund the CAT's 2026 operations and recover about \$39 million in previously unpaid pre-2022 CAT costs.
4/30	SEC Releases Semiannual Report on Administrative Proceedings Caseload	SEC's report provides a six-month snapshot of its administrative proceedings, detailing case volumes, dispositions, and adjudication timelines before administrative law judges and the Commission, as required under Rule 900.

Commodity Futures Trading Commission

Date	Topic	Summary
4/28	CFTC Transitions Public Comment Process to regulations.gov to Streamline Rulemaking	CFTC has redirected all new public comment submissions to the federal regulations.gov platform, providing a more transparent, standardized system for public input and aligning the agency with governmentwide eRulemaking initiatives and efficiency goals.

Financial Stability Board

Date	Topic	Summary
4/29	FSB Finalizes Guidance Clarifying Insurer Recovery and Resolution Planning Scope	FSB outlines six assessment criteria (covering an insurer's nature, scale, complexity, substitutability, cross-border activities, and interconnectedness) for regulators to determine which insurers must have recovery and resolution plans.

Basel Committee on Banking Supervision

Date	Topic	Summary
4/23	BIS Paper Highlights Financial Stability Risks From Large Cryptoasset Platforms	The April 2026 BIS Financial Stability Institute paper finds that large crypto asset service providers now perform core financial intermediation functions similar to banks, while lacking comparable prudential safeguards, creating material credit, liquidity, and financial stability risks.
4/30	BIS International Banking Statistics and Global Liquidity Indicators Point to Surge in Cross-Border Lending	Global cross-border bank credit expanded 11% in 2025, the strongest annual growth since 2008, driven primarily by cross-border loans and rising bank debt securities holdings, alongside sustained growth in U.S. dollar and euro-denominated foreign currency credit, including a notable acceleration of lending to emerging market and developing economies with sharp regional divergences.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on AML & CFT Programs	Jun 9, 2026
	Comments due on FinCEN & OFAC joint proposal for GENIUS Act implementation	Jun 9, 2026
	Comments due on regulatory capital rule & the standardized approach for risk-weighted assets	Jun 18, 2026
	Comments due on regulatory capital framework for Category I & II banking organizations	Jun 18, 2026
FSOC	Comments due on the framework for nonbank financial company determinations	May 14, 2026
OCC	Comments due on proposal implementing GENIUS Act for OCC supervised entities	May 1, 2026
	Comments due on streamlining regulations concerning public welfare investments, open market collateralized loan obligations, & federal savings association nondiscrimination requirements	May 27, 2026
	Comments due on order preempting the Illinois Interchange Fee Prohibition Act	May 29, 2026
	Comments due on national bank non-interest charges & fees	May 29, 2026
FRB	Comments due on amendments to Regulation J (governing FedNow service)	Jun 9, 2026
	Comments due on G-SIB surcharge proposal	Jun 18, 2026
FDIC	Comments due on FDIC proposed application procedures to issue payment stablecoins	May 18, 2026
	Comments due on FDIC implementation of GENIUS Act	Jun 9, 2026
NCUA	Comments due on record preservation, appendices-record retention & catastrophic act preparedness	May 11, 2026
	Comments on eliminating prescriptive regulations on third-party servicing of indirect vehicle loans	May 26, 2026
	Comments due on chartering & field of membership	Jun 8, 2026
	Comments due on bank conversion & mergers	Jun 22, 2026
	Comments due on enhancing & streamlining data collection from credit unions	Jun 23, 2026

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
SEC	Comments due on proposed amendments to Rule 15c2-11	May 18, 2026
	Comments due on Consolidated Audit Trail & other audit trails and data sources	Jun 22, 2026
	Comments due on Form PF reporting requirements	Jun 23, 2026
CFTC	Comments due on event contract derivatives traded on prediction markets	Apr 30, 2026
FinCEN	Comments due on whistleblower incentives & protections	Jun 1, 2026
	Comments due on AML & CFT programs	Jun 9, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	Prohibition on the use of reputation risk by regulators	Jun 9, 2026
	Modifications to the CBLR framework	Jul 1, 2026
	Enhanced supplementary leverage ratio, total loss-absorbing capacity, & long-term debt requirements	Dec 1, 2026
OCC	OCC's updated national bank chartering final rule	Apr 1, 2026
	OCC community bank licensing amendments	Apr 3, 2026
	Elimination of the Fair Housing Home Loan Data System & the associated national bank-specific home loan data collection & record-keeping requirements	Apr 3, 2026
	Rescission of OCC guidelines establishing standards for recovery planning	May 1, 2026
	Order preempting the Illinois Interchange Fee Prohibition Act	Jun 30, 2026
	National bank non-interest charges & fees	Jun 30, 2026
	FDIC official signs & advertisement of membership	Apr 1, 2027
NCUA	Simplification of share insurance rules	Dec 1, 2026
CFPB	Amendments to Regulation B ECOA	Jul 21, 2026
	Small business lending under ECOA (Regulation B)	Jun 30, 2026
SEC	Adoption of updated EDGAR filer manual	Apr 16, 2026
	Form N-PORT (for funds with \$1 billion or greater in net assets) & all N-CEN reporting requirements	Nov 17, 2027
	Form N-PORT reporting requirements for fund groups with less than \$1 billion in net assets	May 18, 2028
FinCEN	AML/CFT program & suspicious activity report filing requirements for registered investment advisers & exempt reporting advisers	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
- Federal Deposit Insurance Corporation
- Financial Crimes Enforcement Network
- Financial Accounting Standards Board
- 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.



[SEC Allows Broker-Dealers to Use Equities as Collateral](#)

The SEC allows equity collateral under Rule 15c3-3, boosting flexibility with strong controls.



[Reframing AML for Digital Finance](#)

FinCEN proposes AML reforms for financial institutions and stablecoin issuers, emphasizing effectiveness.



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

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



[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.



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

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



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

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

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