



# FINREG Focus

## U.S. Financial Services Regulatory Center Update

June 1, 2026

### Executive Summary

In this holiday-shortened week, the regulatory landscape took a much-needed breather. Nonetheless, there remain a couple of items worth noting.

**This update's headline items:**

1. FDIC releases its *Quarterly Banking Profile* for Q1 2026.
2. Comptroller Jonathan Gould's explanation of abstention from FDIC vote hints at potential future changes to resolution plan requirements.

### Overview of Key Developments

1. The FDIC [reported strong financial performance](#) for the U.S. banking industry during the first quarter of 2026, supported by higher earnings, solid loan growth, and continued deposit expansion. Net income increased to \$80.5 billion, up \$2.8 billion (3.6%) from the prior quarter, driving return on assets (ROA) to 1.26%, an improvement of 2 basis points quarter over quarter and 10 basis points year over year.

**Profitability & Revenue.** Earnings growth was driven primarily by noninterest income, which rose \$5 billion (5.8%), reflecting higher trading revenue and a rebound in net gains on loan sales. This increase more than offset a \$1.6 billion (0.8%) decline in net interest income and a \$2.5 billion (1.6%) rise in noninterest expense. As a result, overall profitability improved despite pressure on interest margins.

**Net Interest Margin.** The industry's net interest margin declined 8 basis points to 3.31%, as yields on earning assets fell more quickly than funding costs. While margins remained above levels a year ago, the quarterly decline reflects ongoing repricing dynamics.

**Loan Growth.** Total loans increased \$215 billion (1.6%) during the quarter, with year-over-year growth accelerating to 7.1%, the fastest pace since early 2023. Growth was led by commercial and industrial lending, loans to nondepository financial institutions, securities-related loans, and nonfarm nonresidential commercial real estate (CRE).

**Deposits & Funding.** Domestic deposits grew \$389.7 billion (2.1%), marking the seventh consecutive quarterly increase. Estimated uninsured deposits rose \$233.5 billion, accounting for most of the growth and remaining a key area of supervisory focus.

**Asset Quality.** Asset quality metrics remained generally favorable. Past due and nonaccrual loans declined to 1.53%, and the net charge off rate fell to 0.59%, down from both the prior quarter and year-ago levels. Elevated delinquency rates persisted in multifamily CRE, non-owner-occupied CRE, credit card, and auto loan portfolios.

**Securities, Capital, & Systemic Indicators.** Unrealized losses on securities totaled \$325.1 billion, up \$19 billion from Q4 but \$88.1 billion lower than a year earlier, reflecting interest rate movements late in the quarter. Capital ratios declined modestly due to asset growth, with the Tier 1 risk-based capital ratio at 13.91%. Systemic indicators improved, as the number of problem banks fell to 54, and the Deposit Insurance Fund reserve ratio increased to 1.43%, with a balance of \$157.4 billion.

**Conclusion.** The Q1 2026 results point to stable industry performance and continued balance-sheet growth, alongside areas that remain sensitive to economic and market conditions. Earnings and loan activity strengthened during the quarter, while margin compression, rising uninsured deposit balances, and uneven credit performance in certain portfolios persisted. Movements in margins, securities valuations, and funding composition underscore areas that continue to warrant monitoring.

2. Comptroller Jonathan Gould [issued a statement](#) explaining his decision to abstain from the FDIC vote on feedback related to the *July 2025 Dodd-Frank Act* Section 165(d) resolution plans for U.S. global systemically important banks. Gould stated that his abstention reflected concerns that fundamental issues in the current resolution planning framework remain unaddressed.

Gould reiterated points raised in a prior speech, emphasizing legal and conceptual concerns with resolution planning at both the bank and holding company levels. While acknowledging progress in reforming the FDIC's resolution planning requirements for insured depository institutions, he noted that similar reforms have not yet been applied to Section 165(d) resolution plans. Gould described the process as flawed and raised concerns regarding the use of feedback letters to introduce binding expectations without prior notice or opportunity for public comment.

Gould recognized the efforts of FDIC and Federal Reserve staff and noted that the proposed feedback letters did not identify new shortcomings and were less burdensome than in prior years. However, he expressed concern that the letters continue a process that has expanded regulatory requirements over time, including increased expectations related to capital, liquidity, assurance frameworks, and contingency strategies. He called for extending submission timelines and reassessing existing guidance rather than adding further requirements through feedback letters.

## Recent Key Regulatory Developments

### Federal Reserve Board

Date	Topic	Summary
5/26	<a href="#">FRB Proposes Payment System Risk Policy Revisions to Support New Payment Account Framework</a>	FRB proposed updates to its payment system risk policy and account access guidelines to accommodate new special-purpose payment accounts and encouraged a temporary pause on certain account access decisions while the policy is finalized.
5/26	<a href="#">FRB Proposes Regulation A Changes to Bar Payment Account Holders From Discount Window Access</a>	FRB proposed amending Regulation A to make holders of new special-purpose payment accounts ineligible for discount window credit, while leaving existing lending programs unchanged.
5/26	<a href="#">FRB Proposes Regulation D Changes to Exclude Payment Account Balances From Interest on Reserves</a>	FRB proposed amending Regulation D to distinguish new special-purpose payment accounts from master accounts and exclude those balances from interest on reserve payments at reserve banks. The proposal would not change reserve requirement ratios.

### Federal Deposit Insurance Corporation

Date	Topic	Summary
5/27	<a href="#">FDIC Releases Quarterly Banking Profile for Q1 2026</a>	FDIC-insured institutions reported a 1.26% return on assets alongside \$80.5 billion in net income, up \$2.8 billion from the prior quarter, driven partly by higher noninterest income and supported by continued deposit and loan growth, despite a modest decline in net interest margin and some pockets of asset quality stress.

### Securities & Exchange Commission

Date	Topic	Summary
5/29	<a href="#">SEC Proposes Rescission of Climate-Related Disclosure Rules</a>	SEC proposed rescinding its 2024 climate-related disclosure rules, signaling a shift away from mandated climate risk and emissions reporting and toward a more materiality-focused approach to securities regulation.

### Commodity Futures Trading Commission

Date	Topic	Summary
5/27	<a href="#">NFA Proposes Higher Swap Dealer Dues and Temporary Cut to Futures Assessment Fees</a>	National Futures Association (NFA) approved amendments to increase swap dealer and affiliate dues in phases through 2027 while temporarily reducing Futures Commission Merchant (FCM) assessment fees to rebalance reserves between its swaps and futures regulatory programs.
5/29	<a href="#">CFTC Issues Advisory on 24/7 Trading, Clearing, and Settlement</a>	CFTC issued a staff advisory outlining regulatory expectations for firms pursuing 24/7 trading and clearing, emphasizing compliance obligations and highlighting that suitability may vary by asset class, with digital asset derivatives more compatible than certain traditional markets.
5/29	<a href="#">CFTC Issues Policy Statement on Listing Perpetual Contracts and Approves Bitcoin-Linked Example</a>	CFTC outlined its regulatory approach to perpetual derivatives, stating most products will require case-by-case Commission approval due to their novel structure, while concurrently permitting a bitcoin-based perpetual contract to be listed as a futures product.

## Recent Key Regulatory Developments

### Financial Accounting Standards Board

Date	Topic	Summary
5/27	<a href="#">FASB Advances Targeted Agenda Items to Improve Consistency and Reduce Complexity</a>	FASB advanced deliberations on improving commodity inventory accounting and considered adding projects to clarify the treatment of mortgage servicing rights recapture and subjective acceleration clauses, aiming to reduce variety in practice.
5/27	<a href="#">FASB Hosts Stakeholder Roundtable on the Implementation of Disaggregation of Income Statement Expenses</a>	FASB held a public roundtable with preparers, investors, auditors, and other stakeholders to gather feedback on implementing the DISE standard, focusing on adoption challenges such as data availability, systems and process changes, use of estimates, internal control considerations, and how investors plan to use the more granular expense information.

### Basel Committee on Banking Supervision

Date	Topic	Summary
5/27	<a href="#">Bank for International Settlements Project Agorá Demonstrates Tokenized Platform for Wholesale Cross-Border Payments</a>	The Project Agorá prototype shows that a shared, programmable distributed ledger technology (DLT) platform using tokenized central bank reserves and bank deposits can enable faster, more transparent, and coordinated cross-border settlement while preserving the correspondent banking model.

### International Organization of Securities Commissions

Date	Topic	Summary
5/25	<a href="#">IOSCO Releases Toolkit to Guide Supervision of AI in Capital Markets</a>	IOSCO introduced a practical supervisory toolkit outlining risk areas, governance expectations, and oversight tools for artificial intelligence (AI) use in capital markets, signaling heightened scrutiny of firms' AI governance, third-party risk, and lifecycle controls.

# Deadlines & Compliance Calendar

Agency	Requirement	Due Date
FFIEC	<a href="#">Comments due on revisions to the Uniform Financial Institutions Rating System (UFIRS)</a>	Aug 17, 2026
	<a href="#">Comments due on AML &amp; CFT Programs</a>	Jun 9, 2026
Joint Agency	<a href="#">Comments due on FinCEN &amp; OFAC joint proposal for GENIUS Act implementation</a>	Jun 9, 2026
	<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
	<a href="#">Comments due on amendments to Regulation J (governing FedNow service)</a>	Jun 9, 2026
	<a href="#">Comments due on G-SIB surcharge proposal</a>	Jun 18, 2026
FRB	<a href="#">Comments due on revisions to the Federal Reserve policy on payment system risk &amp; the guidelines for account and services requests</a>	Jul 27, 2026
	<a href="#">Comments due on Regulation A: extensions of credit by Federal Reserve banks</a>	Jul 27, 2026
	<a href="#">Comments due on Regulation D: reserve requirements of depository institutions</a>	Jul 27, 2026
FDIC	<a href="#">Comments due on FDIC implementation of GENIUS Act</a>	Jun 9, 2026
	<a href="#">Comments due on chartering &amp; field of membership</a>	Jun 8, 2026
	<a href="#">Comments due on bank conversion &amp; mergers</a>	Jun 22, 2026
NCUA	<a href="#">Comments due on enhancing &amp; streamlining data collection from credit unions</a>	Jun 23, 2026
	<a href="#">Comments due on requirements for insurance</a>	Jul 6, 2026
	<a href="#">Comments due on threshold increase for the major assets prohibition of the DIMIA</a>	Jul 6, 2026
	<a href="#">Comments on proposal for implementation of the GENIUS Act</a>	Jul 17, 2026

## Deadlines & Compliance Calendar

Agency	Requirement	Due Date
SEC	<a href="#">Comments due on Consolidated Audit Trail &amp; other audit trails &amp; data sources</a>	Jun 22, 2026
	<a href="#">Comments due on Form PF reporting requirements</a>	Jun 23, 2026
	<a href="#">Comments due on definitions of “Security-Based Swap Dealer” &amp; “Major Security-Based Swap Participant”</a>	Jul 6, 2026
	<a href="#">Comments due on semiannual reporting proposal</a>	Jul 6, 2026
	<a href="#">Comments due on proposed amendments to streamline filer statuses</a>	Jul 20, 2026
	<a href="#">Comments on registered offering reform</a>	Jul 27, 2026
CFTC	<a href="#">Comments due on Commitments of Traders reporting program</a>	Jun 4, 2026
	<a href="#">Comments due on <i>Privacy Act</i> regulations</a>	Jun 5, 2026
	<a href="#">Comments due on clearing requirement determination under Section 2(h) of the <i>Commodity Exchange Act</i></a>	Jun 11, 2026
FinCEN	<a href="#">Comments due on whistleblower incentives &amp; protections</a>	Jun 1, 2026
	<a href="#">Comments due on AML &amp; CFT programs</a>	Jun 9, 2026

### Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	<a href="#">Prohibition on the use of reputation risk by regulators</a>	Jun 9, 2026
	<a href="#">Modifications to the CBLR framework</a>	Jul 1, 2026
	<a href="#">Enhanced supplementary leverage ratio, total loss-absorbing capacity, &amp; long-term debt requirements</a>	Dec 1, 2026
OCC	<a href="#">Rescission of OCC guidelines establishing standards for recovery planning</a>	May 1, 2026
	<a href="#">Preemption determination on state interest-on-escrow laws</a>	Jun 18, 2026
	<a href="#">Order preempting the Illinois Interchange Fee Prohibition Act</a>	Jun 30, 2026
	<a href="#">National bank non-interest charges &amp; fees</a>	Jun 30, 2026
FDIC	<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
CFPB	<a href="#">Amendments to Regulation B (ECOA) - Disparate Impact</a>	Jul 21, 2026
	<a href="#">Small Business Lending Under Regulation B - Section 1071</a>	Jun 30, 2026
SEC	<a href="#">Technical corrections to Regulation NMS Rule 610(e)</a>	May 5, 2026
	<a href="#">Rescission of policy regarding denials in settlements of enforcement actions</a>	May 21, 2026
	<a href="#">Form N-PORT &amp; N-CEN reporting requirements<sup>1</sup></a>	Nov 17, 2027 May 18, 2028
FinCEN	<a href="#">AML/CFT program &amp; suspicious activity report filing requirements for registered investment advisers &amp; exempt reporting advisers</a>	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 Committee
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Office of the Comptroller of the Currency
- National Credit Union Administration
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Financial Stability 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 Q1 2026](#)

Download our Q1 2026 insights featuring major regulatory and supervisory developments.



### [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.



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

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



### [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.



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

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

# Contact



**Ashley Ensley**

National Sector Leader, Financial Services  
[ashley.ensley@us.forvismazars.com](mailto:ashley.ensley@us.forvismazars.com)



**William Rogers**

Financial Services Risk & Regulatory Practice Leader  
[william.rogers@us.forvismazars.com](mailto:william.rogers@us.forvismazars.com)

## U.S. Financial Services Regulatory Center



**Bobby Bean**

U.S. Financial Services Regulatory Center Leader  
[US\\_Reg\\_Center@us.forvismazars.com](mailto:US_Reg_Center@us.forvismazars.com)



**Desmond Lites**

Senior Manager, Financial Services  
Risk & Regulatory Consulting



**Zach Kindbom**

Manager, Financial Services Risk &  
Regulatory Consulting

Disclaimer: The tables in this document are for general educational purposes only and are not intended as legal advice and should not be construed as a legal analysis of compliance requirements. This is not intended to constitute an advertisement, a solicitation, or professional advice as to any particular situation.